



TERRA LAWSON-REMER

CHAIR

**SUPERVISOR, THIRD DISTRICT
SAN DIEGO COUNTY BOARD OF SUPERVISORS**

AGENDA ITEM

DATE: November 18, 2025

18

TO: Board of Supervisors

SUBJECT

PARTNERSHIP TO PROTECT SAN DIEGO: A PUBLIC-PHILANTHROPIC EFFORT TO SHIELD FOOD, HOUSING, AND HEALTH FROM FEDERAL CUTS (DISTRICTS: ALL)

OVERVIEW

Washington's actions are pushing San Diego's communities to the brink. H.R. 1, signed by the Trump Administration, guts the very programs that keep people healthy, housed, and fed. This law rips hundreds of millions each year from the County of San Diego, cutting off lifelines like food assistance, Medicaid, and other essential supports families depend on.

The impacts will be severe. Nearly 400,000 San Diegans enrolled in Medicaid will face new bureaucratic hurdles just to see a doctor. Nearly 100,000 San Diegans are at risk of losing food assistance because of new regulations that will begin to take effect in the coming year. These federal policies could strip hundreds of thousands of residents of the support they rely on. Families will fall into homelessness, more patients will crowd emergency rooms, and poverty will deepen, costs that ultimately fall on local taxpayers. Without action, essential services across our region will begin to unravel, and our nonprofits will be stretched even thinner trying to fill the gap left by federal funding withdrawal.

The County estimates up to \$300 million per year funding gap resulting from the H.R. 1, directly impacting the County budget and putting dozens of critical community-based programs at risk.

Now that crisis is compounding. The federal government has frozen funding for the Supplemental Nutrition Assistance Program (SNAP), which helps 42 million Americans, including one in eight San Diegans, put food on the table each month. The Administration's refusal to release SNAP contingency reserves, despite Court orders, means \$75 million a month in food assistance is no longer flowing into San Diego stores, farmers markets, and small businesses. Families are going hungry, food banks are overwhelmed, and the local safety net is beginning to buckle.

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We are now facing the largest rollback of federal support for working families in a generation, tearing holes in the safety net that prevents seniors from falling into homelessness, keeps hospitals from being overwhelmed, and ensures children don't go hungry. We need strong local action to shield our San Diego communities from the worst impacts of this federal retrenchment.

Track Record of Strong Philanthropic Partnerships

San Diego cannot wait for Washington to correct their course. Our region has exceptionally strong local partners and philanthropic organizations who have a track record of taking bold localized action in response to national challenges. During the COVID-19 pandemic, the County partnered with San Diego Foundation (SDF) to launch a COVID-19 Community Response Fund, which mobilized \$67 million to support small businesses, nonprofits, and frontline communities. Today's action builds from this proven model.

This item launches the **Partnership to Protect San Diegans**, a bold and urgent local response to shield our communities from the worst impacts of federal retrenchment. This proposed two-year public-philanthropic initiative will protect core services from potential cuts, and meet the growing community need for food, housing, and healthcare.

This approach is only possible because our local philanthropic institutions continue to step in where Washington walked away. On September 25, 2025, Prebys Foundation, Price Philanthropies, and San Diego Foundation, along with the Price Family, announced their new effort to increasing their annual giving by \$70 million to help safeguard access to food, housing, and healthcare, as historic funding cuts take effect. We know the scale of this crisis is bigger than any of us can solve alone. Only a coordinated partnership can effectively respond to this moment and reach the people most at risk.

Partnership Structure: The Partnership to Protect San Diegans has two components.

Matching Stabilization Fund

The first component of the partnership with SDF is a Matching Stabilization Fund designed to preserve essential County-contracted programs at risk from budget shortfalls related to federal funding cuts. This fund would sustain approximately \$36 million (\$16 million this fiscal year and \$20 million next year) in existing County-contracted nonprofit programs over the next two years, programs providing food assistance, senior services, domestic violence shelters, behavioral health and homelessness support, and other essential safety-net services that could otherwise collapse under federal cuts.

The County and SDF would each contribute funding estimated at approximately \$18 million over two years, creating a 1:1 match that doubles the impact of every public dollar and effectively reduces the County's fiscal burden by half.

Funding flow: The County will transmit its share, approximately \$8 million this fiscal year, and with the consent of SDF, an additional \$10 million in year 2 through a grant agreement. SDF would pool this \$18 million with an equal match to create the \$36 million

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Matching Stabilization Fund. All grant funds would comply with County grant administration policies.

Contract structure: The fund would pay for nonprofit service providers already under County contracts. Existing County contracts will be amended to list SDF as a co-payor, while the County continues to retain all oversight, monitoring, reporting, and compliance responsibilities.

Payment process: SDF will issue payments directly to the contracted nonprofits in coordination with County staff to ensure continuity of service and financial tracking.

Funding Eligibility: Funds will only be used to support County-contracted services and cannot be repurposed for any other purposes. Because of philanthropic funding restrictions, the partnership is limited to nonprofit organizations.

This structure ensures that County-funded safety-net programs continue without interruption, while leveraging philanthropic dollars to sustain community services during a period of federal defunding.

County Match to the San Diego Unity Fund

Second, today's action directs the County to contribute a \$4 million grant to the San Diego Unity Fund, an initiative held by the San Diego Foundation. The County's \$4 million contribution would be funded through the budget savings made available through this partnership model outlined in today's item. Assuming year two of the Matching Stabilization Fund occurs, the County will consider an additional grant to the San Diego Unity Fund at that time.

Launched on September 25, 2025, the San Diego Unity Fund was created in direct response to federal budget cuts that have sharply reduced support for housing, food assistance, and health programs nationwide. These dollars will directly support community organizations, including our regional food banks and other assistance programs focused on those populations that have lost or are at risk of losing federally funded benefits.

The need for this fund is now greater than ever. The ongoing SNAP crisis has left an estimated 400,000 San Diegans without food assistance, placing extraordinary strain on the region's nonprofit food distribution network. Governor Newsom has shown strong statewide leadership, providing \$80 million statewide to support food banks and deploying the California National Guard to assist with food distribution, but the scale of local need is vast. In November 2025 alone, suspended SNAP benefits would have provided approximately \$75 million in food assistance to seniors, children, and working families across the San Diego region.

To maximize the County's impact, the SDF will match the County's \$4 million contribution with its own \$4 million, effectively doubling the total investment to \$8 million in direct support for local nonprofits this fiscal year. This partnership will sustain and expand programs that keep families fed, housed, and healthy during this unprecedented period of federal instability.

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Funding Priorities for those who have lost or are at risk of losing federally funded benefits:

- Food security for families and seniors struggling to put nutritious meals on the table, ensuring no one in our community goes hungry.
- Housing stability for neighbors on the edge of homelessness, helping families stay in their homes and avoiding the trauma of displacement.
- Healthcare access support for vulnerable families, connecting those without reliable coverage to critical medical care and preventive services.

Funding Eligibility: All grant funds will be governed by a written agreement that specifies eligible uses, reporting requirements, and performance outcomes to ensure transparency and compliance with County fiscal policies. Due to philanthropic funding restrictions, the partnership is limited to nonprofit organizations. Eligible nonprofit organizations must serve at least one of the funding priorities.

Funding flow: The County will transfer \$4 million to SDF through a grant agreement, subject to an expedited negotiation and execution by County staff. This contribution will be funded from budget savings made available through this partnership. Later contributions to the San Diego Unity Fund would be considered in year two and subject to further discussion.

Reporting: The County will receive quarterly reports on fund activities and outcome metrics.

Representation: The County will have one representative, appointed by the Chief Administrative Officer, who will meet regularly with SDF regarding the San Diego Unity Fund and ensure alignment with County priorities, and provide updates to the Board on fund performance and community impact.

Next Steps

Today's action directs County staff to negotiate and execute a Memorandum of Understanding with the San Diego Foundation to establish the Partnership to Protect San Diegans, including roles, responsibilities, fiscal management, reporting, and compliance provisions, and a 5% flat administrative fee on County-provided funds, funded by budget savings that would be made available for this partnership. The Memorandum of Understanding will be subject to approval by County Counsel.

By taking action today, the County will achieve the following outcomes:

- Prevent cuts and ensure continued funding for \$36 million in existing county contracted nonprofit service providers.
- Leverage philanthropic funds to support \$8 million in community-based support for the San Diego Unity Fund to support food, housing, and health, while maintaining strong public accountability and outcome reporting.

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- Enable the County to continue supporting valuable nonprofit services to communities in need through a philanthropic partnership that reduces the County's fiscal burden by approximately \$13 million over two years, providing critical flexibility as federal funding cuts begin to hit.
- Builds on San Diego's tradition of strong local partnership and collective responsibility. While Washington retreats, our region is stepping forward, protecting access to food, housing, and healthcare for the people who need it most.

This is not a permanent fix to a broken federal budget. It is an emergency measure, built in partnership, to hold the line on food, housing, and health care while we fight for long-term solutions. San Diego cannot control what Washington does, but we can control how we support one another. By launching this initiative, we will support San Diegans today and lay the foundation for a stronger, more resilient future tomorrow.

RECOMMENDATION(S)

CHAIR TERRA LAWSON-REMER

1. Pursuant to Government Code section 26227, find that the Matching Stabilization Fund and San Diego Unity Fund programs are necessary to meet the social needs of the population.
2. Authorize the Chief Administrative Officer (CAO) to negotiate and execute a Memorandum of Understanding with the San Diego Foundation to establish the Partnership to Protect San Diegans Fund, including grant funds to the San Diego Unity Fund. This agreement should include roles, responsibilities, fiscal management, reporting, and compliance provisions, subject to approval by County Counsel. The MOU and grant agreements shall authorize San Diego Foundation to retain a 5% grant administration fee for administrative and fund management costs, to be paid by additional existing funds that become available through contract savings or other sources.
3. Authorize the CAO to grant up to \$18 million to the San Diego Foundation for the County's share of the Matching Stabilization Fund, with grant disbursements to occur on a rolling basis as 1:1 philanthropic matching funds are secured by SDF, and subject to the terms of the MOU.
4. Authorize the CAO or designee to take all necessary actions to implement and administer the Matching Stabilization Fund in accordance with applicable laws, including amending existing County contracts to reflect co-funding by San Diego Foundation.
5. Authorize the CAO or designee to grant up to \$4 million in the first year and enter into discussions for a potential contribution in the second year assuming SDF approval of year two for the Matching Stabilization Fund, to San Diego Foundation for the County's contribution to the San Diego Unity Fund, with disbursement contingent on the availability of County funds and demonstration of a 1:1 philanthropic match, and subject to the terms of the MOU and/or grant agreement.
6. Authorize the Director, Department of Purchasing and Contracting, to amend existing contracts as necessary to facilitate payment through the Matching Stabilization Fund.
7. Direct the CAO to return to the Board on a rolling basis with proposed allocations as part of quarterly budget adjustments, based on any existing budgeted General-Purpose Revenue

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made available through the partnership with SDF. This process should ensure that available funds are spent in a coordinated and strategic manner, rather than through one-off or ad hoc appropriations.

EQUITY IMPACT STATEMENT

This action prioritizes communities most harmed by federal disinvestment, low-income families, immigrants, seniors, and individuals with disabilities. By stabilizing critical safety net services and preventing program cuts, this initiative helps prevent deepening racial, economic, and health disparities.

SUSTAINABILITY IMPACT STATEMENT

This action sustains core social infrastructure that supports public health, housing stability, and community well-being. By leveraging philanthropic dollars and preserving existing nonprofit capacity, it reduces duplication, avoids service disruptions, and strengthens long-term resilience in the face of ongoing fiscal uncertainty.

FISCAL IMPACT

Recommendations 1 – 4

Funds for this request related to the Partnership to Protect San Diegans Fund are included in the Fiscal Year 2025-26 Operational Plan in the Health and Human Services Agency, Land Use & Environment Group, and Public Safety Group. If approved, these recommendations would direct the Chief Administrative Officer to negotiate and execute an agreement with the San Diego Foundation (SDF) to leverage existing budgeted funding to use as a match for philanthropic funds secured by SDF. If approved these recommendations will authorize the use of an estimated \$8 million in Fiscal Year 2025-26 based on existing budgeted General-Purpose Revenue and/or State Realignment revenue that could be made available depending on the contracts selected, in order to match philanthropic donations to help support existing County contracts with non-profit organizations providing critical services. The use of an additional \$10 million is estimated in Fiscal Year 2026-27, dependent on funding sources considered for the Fiscal Year 2026-27 Operational Plan, for an estimated total of \$18 million over two fiscal years. The actual amount leveraged could be less as it depends upon contracts identified that are fully or partially funded with local funds that can be supported through the agreement with the SDF without negatively impacting federal funding, State grants, or State Realignment funding. Additional costs related to the recommendations may total up to \$900,000 based on a 5% grant administration fee charged by SDF, which will be funded by existing budgeted amounts that are made available through this partnership and/or as identified during development of the Fiscal Year 2026-27 Operational Plan. It is anticipated that approval of these recommendations will release an amount of existing County funding in the current Fiscal Year based on the actual amount of SDF's philanthropic matching funds offset by the related SDF administrative fees charged to the County.

Recommendation 5 -6

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Funds for this request related to the San Diego Unity Fund are not included in the Fiscal Year 2025-26 Operational Plan in the Health and Human Services Agency. If approved, this recommendation will result in one-time costs and revenue of \$4 million estimated to occur partially in Fiscal Year 2025-26 and partially in Fiscal Year 2026-27 to match community funds and contribute to a partnership to support meal delivery and nutrition assistance for hunger relief among high need populations. These match amounts will be contingent upon the availability of local funding and existing budgeted General-Purpose Revenue that is made available through the implementation of the Memorandum of Understanding with SDF for the Partnership to Protect San Diegans Fund. The actual source of funds made available may impact how much can be reinvested to serve as a match contribution. Additional costs related to the recommendation may total up to \$200,000 based on a 5% grant administration fee charged by SDF, which will be funded by existing budgeted amounts that are made available through this partnership and/or as identified during development of the Fiscal Year 2026-27 Operational Plan.

Recommendation 7

There are no fiscal impacts associated with this recommendation. There will be no change in net General Fund costs and no additional staff years.

BUSINESS IMPACT STATEMENT

Stabilizing core safety net services helps protect the broader economy by preventing hunger, homelessness, and health crises that increase costs for local businesses, hospitals, and service systems. Food assistance supports grocery stores and regional agriculture; housing stability reduces strain on emergency systems and preserves workforce participation. By sustaining nonprofit providers and avoiding sudden service cuts, this initiative also protects hundreds of local jobs and contracts that directly support San Diego's economy.

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

Washington's actions are pushing San Diego's communities to the brink. H.R. 1, signed by the Trump Administration, guts the core programs that keep people healthy, housed, and fed, stripping hundreds of millions each year from the County of San Diego and cutting off access to food assistance, Medicaid, and other essential supports.

Nearly 400,000 residents on Medicaid will face new barriers to care, and another 100,000 could lose food assistance as new rules take effect. These cuts will drive families into homelessness, strain hospitals, and deepen poverty, with these costs ultimately falling onto our local communities.

Now the crisis is compounding. The federal government has frozen SNAP funding, halting \$74 million a month in food assistance that normally flows into local stores and farmers markets. Families are going hungry, food banks are overwhelmed, and the safety net is buckling. Strong local action is needed to protect San Diegans from this federal retreat.

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San Diego cannot wait for Washington to act. Our region has a proven record of stepping up in times of nationwide crisis. During the COVID-19 pandemic, the County partnered with San Diego Foundation to launch a COVID-19 Community Response Fund, mobilizing \$67 million to support small businesses, nonprofits, and frontline communities. That model of public-philanthropic collaboration is the foundation for today's proposal.

The Partnership to Protect San Diegans is a bold, local response to shield our residents from the worst effects of federal retrenchment. This two-year initiative will sustain critical County-contracted programs that would otherwise collapse under federal cuts, including food assistance, senior transportation services, domestic violence shelters, legal aid, and homelessness prevention services. It also leverages a powerful network of local philanthropy: in September 2025, Prebys Foundation, Price Philanthropies, and San Diego Foundation, along with the Price Family, launched their initiative, pledging to increase annual giving by \$70 million to safeguard access to food, housing, and health care as federal disinvestment takes hold. Together, these efforts form a local shield to keep San Diegans fed, housed, and healthy while federal support recedes.

The Partnership to Protect San Diegans has two components.

Matching Stabilization Fund

The first component of this partnership is a Matching Stabilization Fund designed to preserve essential County-contracted programs that would otherwise be jeopardized by federal cuts. This fund would sustain approximately \$36 million in existing County-contracted nonprofit programs over the next two years, programs providing food assistance, senior services, domestic violence shelters, homelessness support, and other essential safety-net services that could otherwise collapse under federal cuts. The County and SDF would each contribute approximately \$18 million, creating a 1:1 match that doubles the impact of every public dollar and effectively reduces the County's fiscal burden by half.

Funding flow: The County would transmit its share, approximately \$18 million over two years, to SDF through an MOU or grant agreement. SDF will pool these funds with an equal match to create the \$36 million Matching Stabilization Fund. All grant funds will comply with County grant administration policies.

Contract structure: The fund will pay for nonprofit service providers already under County contract. Existing County contracts will be amended to list SDF as a co-payor, while the County continues to retain all oversight, monitoring, reporting, and compliance responsibilities.

Payment process: SDF will issue payments directly to the contracted nonprofits in coordination with County staff to ensure continuity of service and financial tracking.

Administrative fee: SDF will charge the County a flat 5% fee for all County-supplied funds.

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This structure ensures that County-funded safety-net programs continue without interruption, while leveraging philanthropic dollars to sustain community services during a period of federal defunding.

County Match to the San Diego Unity Fund

Second, today's action directs the County to contribute a \$4 million grant this fiscal year and for the CAO to consider and potentially grant additional contributions next fiscal year to the San Diego Unity Fund, pending year two SDF approval of the Matching Stabilization Fund. Launched on September 25, 2025, the San Diego Unity Fund was created in direct response to federal budget cuts that have sharply reduced support for housing, food assistance, and health programs nationwide. These dollars will directly support community organizations, including our regional food banks.

The need for this fund is now greater than ever. The ongoing SNAP crisis has left an estimated 400,000 San Diegans without food assistance, placing extraordinary strain on the region's nonprofit food distribution network. Governor Newsom has shown strong statewide leadership, providing \$80 million statewide to support food banks and deploying the California National Guard to assist with food distribution, but the scale of local need is vast. In November 2025 alone, suspended SNAP benefits would have provided approximately \$74 million in food assistance to seniors, children, and working families across the San Diego region.

To maximize the County's impact, the SDF will match the County's \$4 million contribution with its own \$4 million, effectively doubling the total investment to \$8 million this fiscal year in direct support for local nonprofits, and match potential County funds next year. This partnership will sustain and expand programs that keep families fed, housed, and healthy during this unprecedented period of federal funding instability.

Funding Priorities for those who have lost or are at risk of losing federally funded benefits:

- Food security for families and seniors struggling to put nutritious meals on the table, ensuring no one in our community goes hungry.
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Funding Flow: The County will transfer \$4 million to SDF this fiscal year through a grant agreement, subject to negotiation and execution by County staff. Additionally, CAO may consider and determine granting up to an additional \$5 million to the San Diego Unity Fund the next fiscal year, assuming SDF authorizes a second year of the Matching Stabilization Fund.

Reporting: The County will receive quarterly reports on fund activities and outcome metrics.

Representation: The County will have one representative, appointed by the Chief Administrative Officer, to ensure that grants align with County funding priorities as stated above and to provide periodic updates to the Board on fund performance and community impact.

This initiative is not a permanent fix for a broken federal system. It is an emergency measure, built in partnership with our local philanthropic institutions, to hold the line on food, housing, and healthcare while longer-term solutions take shape. San Diego cannot control decisions made in Washington, but we can choose how we respond. With this action, the County is making that choice, to stand with the families, seniors, and workers who rely on us, and to build the foundation for a stronger, more resilient region.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

This action supports the County's Strategic Initiatives of Equity and Health, by strengthening community resilience and preserving access to food, housing, and healthcare supports for vulnerable residents.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Terra Lawson-Remer', with a stylized flourish at the end.

TERRA LAWSON-REMER
Supervisor, Third District

ATTACHMENT(S)
N/A