

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, JULY 22, 2025**

MINUTE ORDER NO. 8

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 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.
- **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

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.

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

ACTION:

ON MOTION of Supervisor Montgomery Steppe, seconded by Supervisor Lawson-Remer, the Board of Supervisors took action as recommended.

AYES: Aguirre, Anderson, Lawson-Remer, Montgomery Steppe

NOES: Desmond

State of California)
County of San Diego)

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter