

## RESOLUTION SUPPORTING STATE BUDGET ACTION TO ADDRESS THE IMPACTS OF H.R. 1 ON CALIFORNIA COUNTIES

**WHEREAS**, the passage of H.R. 1 has resulted in significant federal funding reductions that disproportionately impact counties responsible for administering critical safety-net services, including healthcare, nutrition, and social services; and

**WHEREAS**, counties anticipate significant, record-breaking budget deficits despite substantial local actions proactively being taken—including reducing staffing, increasing efficiencies, consolidating programs, and passing local tax measures—that will offset only a portion of the shortfall; and

**WHEREAS**, counties serve as the safety net for vulnerable populations and are expected to experience increased demand for services due to reductions in Medi-Cal coverage and other federal supports; and

**WHEREAS**, counties are responsible for administering Medi-Cal and CalFresh programs and county employees will face significantly increased workloads due to new federal requirements, including more frequent eligibility redeterminations; and

**WHEREAS**, the anticipated increase in uninsured residents is expected to significantly raise county costs for indigent care, with statewide impacts estimated between \$2 billion and \$5.5 billion annually; and

**WHEREAS**, reductions in funding or shifting of costs from the State to counties would further strain local budgets and jeopardize essential services, including In-Home Supportive Services, mobile crisis response, and victim support programs; and

**WHEREAS**, investments in public health infrastructure, data systems, and coordinated care are critical to ensuring efficient service delivery and protecting public health outcomes statewide; and

**WHEREAS**, without state partnership, critical services—including hospital care, behavioral health services, public health programs, and social services—may be significantly reduced or eliminated, resulting in decreased access to healthcare, increased emergency room utilization, and worsening health outcomes; and

**WHEREAS**, without state partnership, counties will continue to cut thousands of positions, which will fundamentally hurt working families for those who have lost their jobs or who will be shouldering additional work from understaffing;

**NOW, THEREFORE, BE IT RESOLVED** that the Santa Clara County Democratic Party (SCCDP) hereby supports counties' request for State of California budget action to mitigate the impacts of H.R. 1; and

**BE IT FURTHER RESOLVED** that the SCCDP urges the California State Legislature and Governor to:

Approve ongoing funding for public hospitals, including the \$500 million request to replace the non-federal share of Medicaid fee-for-service costs currently borne by public hospital systems;

Provide \$373 million in General Fund support to counties for Medi-Cal and CalFresh administration to ensure adequate staffing and timely eligibility determinations;

Allocate at least \$2 billion annually beginning in Fiscal Year 2026–2027 to counties to address the growing indigent and uninsured population;

Support modernization and integration of eligibility systems, including the California Statewide Automated Welfare System (CalSAWS) and the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS), to streamline enrollment, exemptions, and redeterminations; and

**BE IT FURTHER RESOLVED** that the SCCDP calls on the State to protect critical county-administered programs, avoid cost-shifting to counties, and sustain investments in public health, homelessness prevention, and victim services.

Submitted by Dolores Morales, CEMA President

Adopted by the Santa Clara County Democratic Central Committee on May 7, 2026