



H.R. 1 Impact Mitigation Plan

FY 26/27 Budget Workshops

April 20, 2026

Executive Summary

Approved by Congress in July 2025, the H.R. 1 (“One Big Beautiful Bill Act”) addresses tax provisions, defense spending, reforms to social programs, including Medicaid and Supplemental Nutrition Assistance Program (SNAP) programs (Medi-Cal and CalFresh in California, respectively), and other significant policy adjustments. This Plan explores how the County of Sonoma may mitigate some of the impacts of those social program reforms for Sonoma County residents. It will not address other federal policy changes, such as those related to transportation and infrastructure, housing programs, and other federal changes conducted outside of H.R.1, that have the potential to significantly impact the County.

It is important to note that most of these provisions do not take effect until October 2026, giving the County time to prepare and assess the scale of impacts given the state’s pending response. However, the trajectory is clear: counties will face heightened fiscal exposure through higher program cost, especially if the state reduces their non-federal cost share in response; higher levels of local uncompensated care; and growing reliance on limited local resources. Additionally, the healthcare system infrastructure and funding structure has altered dramatically since the implementation of the Affordable Care Act in 2013, and will impact all county residents accessing medical care. For example, in July 2025, the American College of Obstetricians and Gynecologists stated that “maternity care deserts are widening, labor and delivery units and hospitals are closing, and our workforce is already bearing the burden of taking on more and more patients with less time to devote to each of them.... We can expect to see patients present to exam rooms with more advanced stages of disease, resulting in poorer outcomes for patients.”

Below is an overview of H.R. 1-specific impacts to Health Care Coverage and Food Security as well as the strategies identified by staff to mitigate some of those impacts.

Impact – Health Care Coverage

H.R. 1 will have many impacts on health coverage and the entire health care system over the coming years. A high-level summary of the changes and their associated implementation timelines are outlined in the chart below.



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Topic	Description	Starting Date
Adults in Medi-Cal		
Community Engagement	Requires most able-bodied adults to work, study, or complete community service	January 2027
Redetermination Frequency	Increased frequency of eligibility redeterminations for childless adults	January 2027
Cost Sharing	Requires state to impose cost-sharing on higher-income childless adults ¹	October 2028
People with Unsatisfactory Immigration Status (UIS) in Medi-Cal		
Medicaid eligibility	Narrows eligibility for noncitizens	October 2026
Federal match	Reduces federal match on emergency health care services	October 2026
People in Covered California		
Premium tax credits	Narrows eligibility for noncitizens	January 2027
Automatic re-enrollment	Eliminates automatic re-enrollment for premium and cost-sharing subsidies	January 2028

Anticipated Sonoma County Impacts:

Medi-Cal Enrollment:

Currently, 132,314 Sonoma County residents are enrolled in Medi-Cal. While the UC Berkeley Labor Center estimates up to 33,000 could lose coverage, the County's Human Services Departments estimates that 10% to 19%, or 13,231 to 25,364, of those enrollees are expected to potentially lose their Medi-Cal coverage due to H.R. 1 eligibility changes. The County's estimates are broken down into three main categories:

- **Unsatisfactory Immigration Status (UIS):** Currently, 21,961 individuals with UIS are enrolled in full-scope Medi-Cal. Of these, we estimate 4,392 to be discontinued due to not completing renewal process. If they reapply, and are found eligible, they would be eligible for restricted scope Medi-Cal only.²

¹ Medi-Cal's cost-sharing system, known as Share of Cost, requires eligible individuals to pay a monthly amount toward their medical expenses before Medi-Cal benefits begin. This amount is determined by subtracting a "maintenance need standard" (\$600 for individuals, \$934 for couples) from the individual's monthly income.

² **Full-scope Medi-Cal** benefits generally provide medical (ambulatory, emergency, hospitalization, laboratory, rehabilitative, preventative and wellness, pediatric, and maternity and newborn care), dental, mental health (including Substance Use Disorder and Behavioral Health Therapy), vision (eye) care, and prescription drugs. **Restricted-scope Medi-Cal** benefits provide limited health care coverage such as emergency services and maternity and newborn care.



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- **Work Requirements:** 29,109 current enrollees will be subject to the new work requirements. Of these, because of not meeting work requirements, we expect 8,733 to lose eligibility between 1/1/2027 and 12/31/2027. This requirement applies to adults ages 19-64 who are eligible for Medi-Cal due to Affordable Care Act expansions, who do not meet exemption criteria. To meet work requirements, individuals must work and get paid \$580 per month, or be enrolled in job training, or community service 80 hours per month, or go to school half time.
- **Increased Renewal Processes:** Currently, childless adults (ages 19-64) enrolled as part of the ACA "New Adult Group" - 48,956 enrollees - will be subject to more frequent (six-month versus annual) eligibility redeterminations. Of these, because of not meeting renewal requirements we expect 25%, or 12,239, to lose eligibility over the calendar year. Individuals whose coverage lapses would need to reapply with a new Medi-Cal application. In addition, for those with UIS, a re-application means the individual would only qualify for restricted scope coverage.

These categories are additive, but there are individuals who may be impacted by multiple challenges to re-enrollment. In total, staff estimates the maximum community impact could be 25,364 residents losing access to coverage.

Additional Information:

There are exemptions to work requirements and the 6-month recertification process for those that are: Pregnant, Foster Youth, Former Foster Youth, Aged, Blind and Disabled including SSI recipients, Children under the age of 19 and American Indian / Alaska Natives. Work requirements exemptions with a 6-month recertification do exist for Parents of Dependent Children (as defined by the Internal Revenue Service) up to the age of 14, Parents of a Disabled Child, Veterans with Disability, Incarcerated or released within past 90 days, Temporary Assistance for Needy Families (TANF) recipients, those participating in drug or alcohol or treatment programs and the medically frail.

Service Level Impacts:

Behavioral Health (BH) Benefits – County Medical Services Program (CMSP) provides coverage from some mental health and substance use disorder services in the "Mild to Moderate" service range. It is unclear what benefits would be available for those with serious mental illness or substance use disorder. Additionally, BH services are not required under Indigent Care. The County currently carries a caseload of roughly 5,000 children and adults on Medi-Cal who receive serious



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mental illness treatment through County BH programs. These services are almost entirely Medi-Cal funded. As recipients lose coverage to Medi-Cal and are placed on CMSP or Indigent Care, these services would be discontinued by the County. This will result in an impact to clients through reduced BH care, likely increased impact to the local hospitals and emergency rooms ill-equipped to handle severe mental health disorder events, and other downstream and community/social impacts. The closure of many psychiatric state facilities over the last decades exacerbates this impact through a lack of skilled facilities to meet mental health demands.

County Responsibility

Enacted in 1933, California's Welfare and Institutions Code section 17000 (Section 17000) obligates counties to serve as the provider of "last resort" for indigent Californians who have no other means of support.

Welfare and Institutions Code § 17000: "Every county and every city and county shall relieve and support all incompetent, poor, indigent persons, and those incapacitated by age, disease, or accident, lawfully resident therein, when such persons are not supported and relieved by their relatives and friends, by their own means, or by state hospitals or other state or private institutions."

While courts have established precedent for counties to have some discretion in the eligibility and scope of programs, Section 17000 is designed to ensure that low-income residents who are not eligible for health coverage programs like Medi-Cal and Covered California have access to a safety net that meets their subsistence health care needs. This requires, at a minimum, medical services necessary for the treatment of acute life-and-limb threatening conditions and emergency medical services, and those that are sufficient to remedy substantial pain and infection, including urgent dental care. As discussed above, Section 17000 does not require provision of Mental Health services. A lawful resident refers to individuals who are lawfully present with a satisfactory immigration status.

To meet these obligations, the County owned and managed a hospital until 1996, when it transferred management to Sutter Health. That facility was closed in 2014. The implementation of the Affordable Care Act (ACA) in 2013 allowed millions of Californians who not been able to access or afford health coverage to sign up for Medicaid (Medi-Cal in California) and/or to access subsidized health insurance through Covered California. Medicare Expansions in California provided noncitizens and those with unsatisfactory immigration status (UIS) access to restricted-scope coverage.



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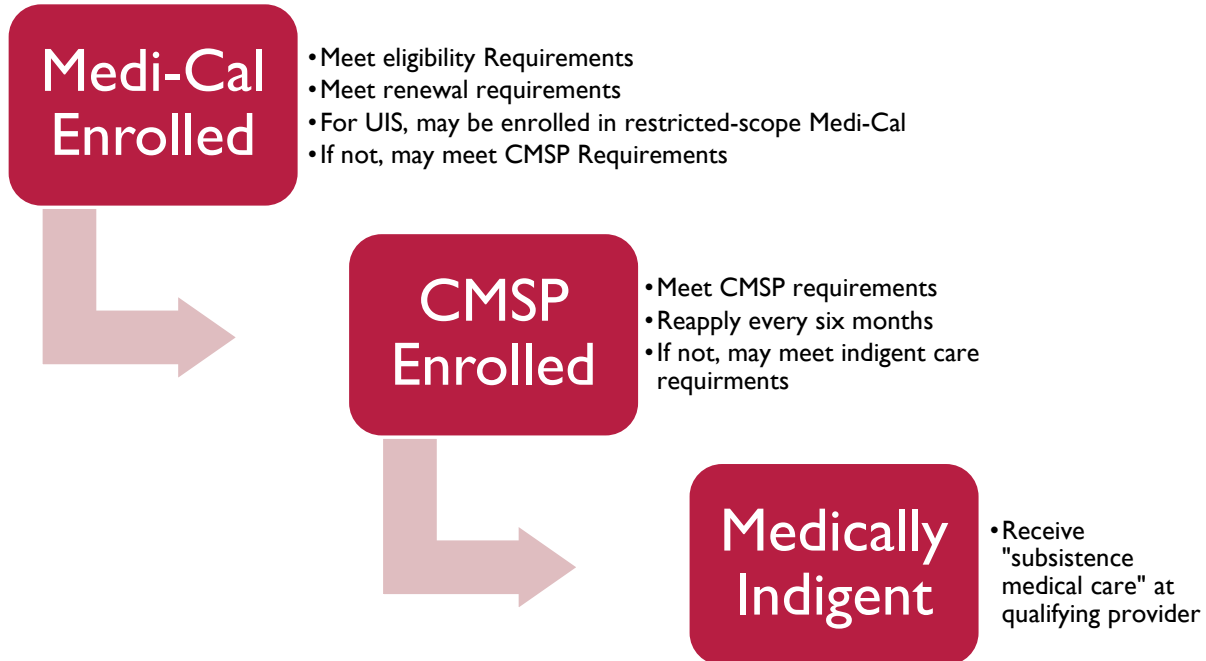
In the absence of a county-managed hospital or other managed care system, the County is responsible for determining how it will meet Indigent Health Care requirements under WIC 17000, including eligibility, service delivery, and cost coverage. Currently, individuals that do not have health care coverage through any means typically visit a Community Health Center (CHC) for health care. In Sonoma County, there are 8 CHCs, operating 36 clinics and serving 123,505 patients in 2024, most of whom were covered by Medi-Cal.

H.R. 1 changes eligibility for Medi-Cal through increased work requirements, increased eligibility redetermination frequency, and narrowed eligibility for those with UIS. Additionally, subsidies for health coverage purchased through Cover California have lapsed. Each of these changes are anticipated to result in a reduction of people eligible for Medi-Cal, resulting in an increase in individuals qualifying for County Medical Services Program (CMSP) and increased costs to the County through CMSP, as well as an increase in individuals falling under Indigent Care and increased costs to the County through Indigent Care requirements.

Lastly, as discussed throughout, there are many services which community members currently access, which they will no longer be eligible for, from mental/behavioral health services, and medical services above the life-and-limb minimal coverage under Indigent Care. This will increase the utilization of uncompensated care in the standard hospital systems, with potential downstream impacts on the overall system related to accessibility and cost of standard hospital services, as well as direct future impact to the County and other employers through increased health insurance rates to account for this uncompensated care in the future.



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Impact Mitigation Strategies

Staff have identified the following mitigation strategies to attempt to support impacted residents and clients to the maximum extent possible. The Board may wish to consider implementation of all or a portion of these recommendations, based on available funding and overall County priorities and needs.

A note about the funding recommendations: In general, staff recommends utilizing one-time/fund balance sources to fund H.R.1 mitigation strategies for the next three years, through the length of the current federal administration, and reassessing ongoing needs and impact at that time. It is possible there is a shift in federal policies that impact these programs. There will also be changes and impacts regarding from the State's funding and State-specific policies. As such, staff recommend utilizing temporary sources versus restructuring overall County operations and the General Fund at this time and through FY 28/29. After this period of time, final, ongoing program impacts should be known, as well as the ongoing needs of the community and County impacts and staff can make permanent recommendations at that time.

Strategy 1: Keep those who meet eligibility requirements on Medi-Cal

While all people currently enrolled have the potential to maintain coverage, as described above, an estimated 106,950 to 119,083 county residents currently enrolled in Medi-Cal will remain eligible for full scope coverage if they complete the renewal process and meet new eligibility rules. The County's primary strategy to



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meeting the majority of the County's indigent care responsibilities is to ensure that those who are eligible remain enrolled.

TACTIC 1: Enhance County eligibility staffing to 1) increase support and counseling to clients to facilitate compliance with work requirements in eligibility re-determinations, and 2) maintain service levels considering the increased time required to review redetermination applications.

Resources Needed:

HSD-PCR-01: FY 26-27, \$5,744,600; FY 27-28, \$6,244,400; FY 28-29, \$6,430,400 (\$18,419,400 total for three (3) years, through FY 28/29) – Add 38.0 Time-Limited eligibility staff allocations through 6/30/2029 to carry out new eligibility determination requirements for Medi-Cal and CalFresh as outlined above, and coordination with Community Health Clinics to maximize access to Medi-Cal. With the additional FTEs, HSD anticipates providing 84,300 eligibility determinations for community members, as well as provide additional community outreach and coordination with the health care system to minimize negative impacts to the community.

HSD-PCR-04: FY 26-27, \$1,236,200; FY 27-28, \$1,343,200; FY 28-29, \$1,383,900 (\$3,963,300 total for three (3) years) – Add 7.0 FTE Time-Limited staff positions to the JobLink team to provide case management services to enrollees and applicants to aid in meeting work requirements, including paid work, training, volunteering, and educational program enrollment.

Strategy 2: Support and Legislative Advocate Scalability of CMSP

As shared at the [March 10, 2026, Board meeting](#), County Medical Service Program (CMSP) works with 35 California counties to assist those counties to meet their indigent health responsibilities. Many of those who do not meet Medi-Cal eligibility requirements do meet those of CMSP. Currently, eligibility for CMSP includes:

- Individuals 21-64 years of age,
- Income levels of 138% - 300% federal poverty limit (FPL),
- Assets of no more than \$20,000 for individuals or \$30,000 for couples (no limits for those below 138% of FPL).

If all these eligibility requirements are met, CMSP provides up to 6 months of coverage. CMSP coverage includes no cost primary health care and basic prescription with \$5 copays, as well as Emergency Room (ER), urgent care, hospital, dental, vision, chiropractic, and behavioral health services with monthly share of costs. Of those impacted by the Medi-Cal eligibility changes discussed previously, CMSP estimates that up to 11,560 individuals will be eligible for CMSP



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coverage through the County of Sonoma. This maximum number is higher than the number of Sonoma County residents utilizing CMSP services before the Affordable Care Act (ACA) was enacted (which averaged 9,000 in 2011) and a significant increase from the 97 individuals currently enrolled.

Before 2013, Sonoma County contributed approximately \$13.2 million annually in 1991 Realignment revenue to CMPS. With the implementation of the ACA and subsequent reduction of those needing services through CMSP, 1991 realignment funding that had supported CMSP's services was reallocated to the State in 2013 to offset state General Fund costs for CalWORKs and to fund child poverty and family support programs. Additionally, since 2014, CMSP has waived Sonoma County's administration fees (\$718,947 annually) due to the low utilization and sufficient funding levels within the CMSP program.

Currently, CMSP does not have a funding source to scale their services up to levels anticipated to result from the Medi-Cal eligibility changes resulting from H.R. 1. For context, if the County were responsible for the full cost of CMSP coverage as it operates today, for the full potential of 11,560 estimated enrollees, the annual cost would be \$102,490,960. To date, the State has not committed additional or redirected funding to CMSP and it is unclear what the final, potential County financial obligation may be related to CMSP.

In anticipation of this substantial caseload growth and potential fiscal impact to the system and participation counties, the CMSP Governing Board is considering implementing more limited eligibility as well as decreased coverage and services, similar to those in place before the passage of the ACA. At their March 26, 2026 Board meeting, they approved adjusting eligibility to include those earning 138% to 200% Federal Poverty Level (FPL) and with assets of less than \$10,000 for individuals and \$20,000 for couples, as well as the cessation of some of currently provided services, including vision, chiropractic, and substance abuse disorder treatments. Public hearings regarding these changes will be held in early fall 2026. These changes would be effective January 1, 2027. As a reminder, if a person does not meet CMPS requirements or requires services not covered by CMPS, and is not covered through Medi-Cal, they would fall under the medically indigent services required of the County as described above.

TACTIC 1: Advocate with State for funding for CMSP services.



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Resources Needed: County staff are currently working with our state legislative partners as well as state-wide associations and efforts are ongoing. On April 6th 2026, the County joined a large coalition, led by California State Association of Counties (CSAC), requesting the State to appropriate \$1.9 billion in 2026-27 and \$4.5 billion in 2027-28 to address the impacts of H.R. 1. Specifically, the funds requested by the statewide coalition seek resources to mitigate local impacts to indigent care, public hospital systems, Medi-Cal/CalFresh eligibility, and behavioral health services over the next two fiscal years. Staff will be closely watching the May Revise and State budget for impacts to counties. No additional resources needed at this time.

TACTIC 2: Identify and preserve available County funding sources to address expected CMSP costs. It is unlikely the full current potential liability of \$102,490,960 will come to fruition and impact the County. As noted above, it is expected CMSP will modify their programs to reduce overall program costs. Further, the State may allocate funding to CMSP through their budget process later in the year, to lessen the impact on counties. However, it is expected that the County will incur costs for CMSP that currently are not budgeted. As such, staff recommends that the Board identify potential funding sources to cover these increases costs starting in FY 26/27 and through FY 28/29 at a minimum.

Resources Needed: In order to prepare for future budget allocation discussions, staff has identified a number of programs that could be impacted, as one-time funding sources, to address H.R.1 costs. As can be seen on Attachment 1, these options would have a significant negative impact on the County by defunding current programs and key County initiatives.

Additional Considerations: Given the significant potential unfunded liability that the County could face as a result of CMSP costs, as well as additional cost impacts outlined below, the Board may wish to consider delaying significant budget decisions utilizing fund balance sources until there is clarity from the State regarding any funding the State will provide to offset County cost impacts, as well as the final costs of CMSP. This could include delaying such decisions to the Fall, following the May Revise and final State budget.

Strategy 3: Support Community Health Center (CHC) network

Sonoma County residents have access to eight (8) Community Health Centers (CHC) (6 Federally Qualified Health Centers (FQHCs), one tribal health center, and one free clinic). CHCs are community-based organizations that provide comprehensive primary care services to individuals regardless of their ability to pay. CHCs provide services to Medi-Cal and CMSP enrollees, those who do not



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have health coverage, and residents covered by Medicare and private insurance. They are at the front line of providing care to indigent Sonoma County residents, along with hospital emergency rooms, and are valued partners to the County. The networks of CHCs in the county are anticipating 14,677 more individuals (a 95% increase) will visit their clinics without any medical coverage.

TACTIC 1: Invest in systemwide capacity. Due to the County's obligation under WIC 17000, the County will need to determine how to meet this requirement. One option is to administer a health insurance-like payment plan and provide direct reimbursement for eligible services rendered within the CHC network. This would be extremely administratively burdensome and costly to implement as well as manage ongoing. Staff does not recommend this approach. Instead, staff recommends providing general funding support to the CHCs in order to provide increased services as required through WIC 17000 to support the County's health care obligation.

Resources Needed: Staff are currently working with the local CHCs to understand the potential cost impact to the CHC system as a result of the County's WIC 17000 obligation. Currently, it is estimated that an amount of \$12.8 million is required to meet this obligation. Staff will continue to work with the local CHCs to understand these costs, service level requirements and other considerations, and will return to your Board during budget hearings with a specific funding request. Further, given these new, unfunded liabilities and costs, staff recommends the Board set aside funds for programming in the FY 26/27 budget and next several FYs to fund this need, as discussed above. Staff recommends utilizing one-time/fund balance sources to fund H.R.1 mitigations strategies for the next three years, through the length of the current federal administration, and reassessing ongoing needs and impact at that time.

Total Funding for FY 26/27 – FY 26/27: \$12.8 million; an estimated total of \$39.6 million for the next three FYs, through FY 28/29.

Impact – Food Security

County Responsibility

Unlike indigent health coverage, the County does not have statutory responsibility to meet a minimum level of food provision, but the County is mandated to operate the CalFresh program on behalf of Sonoma County residents.

CalFresh, known federally as the Supplemental Nutrition Assistance Program (SNAP), provides monthly food benefits to individuals and families with low-income and provides economic benefits to communities. SNAP is federally mandated and in California, is state-supervised and county-operated. CalFresh is the largest food



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program in California and provides an essential hunger safety net. The amount of benefits a household receives is dependent on household size countable income, and monthly expenses, such as housing and utilities.

Changes to the CalFresh eligibility and benefits resulting from HR.1 are outlined below:

Topic	Description	Starting Date
CalFresh eligibility	Expands work requirements for able-bodied adults with dependents (ABAWD)	Immediate, pending federal guidance
CalFresh eligibility	Limits eligibility for noncitizens	Immediate, pending federal guidance
CalFresh eligibility	Limits allowable utility and internet deductions	Immediate, pending federal guidance
Administrative Cost Share	Increases state and county shares of administrative costs	October 2026
Benefit Cost Share	Increases state share of benefits costs	October 2027, depending on error rate

CalFresh recipients who are subject to Able-Bodied Adults Without Dependents (ABAWD) rules will be subject to expanded work and documentation requirements, and substantially increases the frequency and complexity of eligibility redeterminations, verifications, and ongoing case management. Counties are responsible for eligibility determination and enrollment.

Anticipated Sonoma County Impacts:

The County currently has 42,700 CalFresh enrollees, living in 27,400 households. Approximately 30% (12,990) are estimated to be subject to the work requirements. Of these, it is estimated that around 3,897, or 30%, will not meet work requirements and therefore lose eligibility for CalFresh benefits. It is estimated that 762 noncitizen individuals could lose eligibility for CalFresh benefits between June 2026 and May 2027, as they come due for their annual renewal. The current average monthly benefit received is \$309, resulting in an approximate annual loss of \$17,280,00 in benefits.

Additional Impacts:

The Federal government pays the full cost of SNAP benefits and 50% of administrative costs. In California, the remaining administrative costs are split between the State (35%) and counties (15%). In October 2026, the Federal share will reduce to 25% of the administrative costs. The State and County ratio of the remaining costs will result in an increase of approximately \$2.2 million to Sonoma County for the final nine months of FY 26-27, and approximately \$2.8 million in the following years. A request from the Human Services Department for County funding



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support of this increased cost will be included in the FY 26-27 Budget process (HSD-PCR-02).

Impact Mitigation Strategies

Strategy 1: Keep those who meet requirements on CalFresh

As described above, an estimated 41,938 county residents currently enrolled in CalFresh will remain eligible provided they meet program requirements. The County's primary strategy is consistent with that of medical care, to ensure that those who are eligible remain enrolled. Additionally, the State of California anticipates a 200% increase in CalFresh recipients identified as ABAWD (Able-Bodied Adults without Dependents), from 3,000 to 9,000 recipients who will require additional support in their eligibility determinations.

TACTIC 1: Enhance County eligibility staffing to 1) increase support and counseling to clients to facilitate compliance with work requirements in eligibility re-determinations and 2) maintain service levels considering the increased time required to review redetermination applications.

Resources Needed:

The Resource Needs discussed above related to Medi-Cal coverage also provide the resources needed to address CalFresh impacts. Please see above references to HSD-PCR-01 and HSD-PCR-04 for details.

Strategy 2: Support robust and responsive food distribution system

Sonoma County has a robust network of community-based organizations working to provide food security, led by the Redwood Empire Food Bank (REFB) and their partners. When families lose CalFresh benefits, they will need to draw more heavily on this network to stretch their budget. As a result of losses of CalFresh benefits, the REFB anticipates an increased need of \$2.6 million to \$5.5 million annually over the next three years, adding 150,000 more meals per year to their distribution and anticipating an increasing demand on purchased food.

TACTIC 1: Host Food Convening, leveraging existing efforts and post-event recovery models, to inventory what services are offered across the county, and identify gaps and redundancies. Staff are currently working on developing and hosting a convening of local providers in the food security resource space. This will help inform opportunities for enhanced collaboration and resource management across the system, and identify potential gaps and resource needs to address the upcoming impacts of H.R. 1.



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Resources Needed: Following the Convening, anticipated to occur in Summer 2026, staff will return to the Board with any recommendations for resources that may be appropriate. It is expected that a recommendation may be similar to the approach recommended above for indigent healthcare related to enhancing funding to support the food safety network, versus specific benefit loss backfill.

Strategy 3: Expand General Assistance Program

The County of Sonoma funds a General Assistance (GA) program, which provides temporary cash assistance for individuals who have little or no money as part of the County's Welfare and Institution Code 17000 responsibilities. GA can be approved for up to 90 days in a 12-month period, and possibly longer for people with disabilities. In FY 24-25, 463 individuals received a total of \$868,490 in GA cash aid and rental/utility assistance.

Eligibility for GA is as follows: GA is a cash aid program for individuals without children. The program provides up to \$172 per month for food and incidentals, or up to \$437 per month if someone has qualifying rental housing. GA is a dollar-for-dollar program, meaning any income received, earned or unearned, including gifts or loans reduces the maximum grant amount by that amount. Individuals receiving more than \$172 per month (for food and incidentals) or more than \$437 per month (for housing assistance) are over the income limit and not eligible. Property limits include no more than \$50 in cash or bank accounts and one vehicle valued under \$2,500; any excess property may reduce the monthly grant amount.

As H.R. 1 is implemented, the County anticipates H.R. 1 will impact many GA clients as most individuals who rely on GA also receive support through CalFresh and Medi-Cal. The H.R. 1 impacts outlined above could result in reduced access to food assistance and healthcare coverage for the GA population. In addition, expanded or stricter work requirements may create new barriers for GA recipients, many of whom face disabilities, limited work histories, housing instability, or other employment challenges, and potentially leading to a loss of benefits due to difficulties meeting or documenting compliance. As a result, GA clients may experience increased financial instability, heightened food insecurity, and disruptions in medical care.

TACTIC 1: GA applications have risen by 160% and enrollments by 310% since 2022. During this time, the County has not increased the maximum grant payment amounts in line with the CalWORKS Maximum Aid Payment (MAP) adjustments, which had been aligned prior to 2021 but since have not kept up with cost of living adjustments. Aligning the County's GA amounts would provide critical support to the lowest income members of the community.



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Resources Needed: *HSD-PCR-03: \$470,700 annually (ongoing) – 4.0 FTE GA staff to support the current and expected increased amount of work to support current caseloads for GA client eligibility determination, benefit issuance (cash aid, CalFresh and Medi-Cal), information and referral, SSI advocacy, and coordination with landlords and the County’s housing partners.*

Additional Consideration: Staff expects many of the clients impacted by medical and/or CalFresh changes outlined above, to potentially currently or in the near future, rely on GA for additional supports through the coming years. The GA benefit has not been adjusted for inflation since January 2021. As such, the Board may consider an increase in the GA award in order to support community needs. If the Board is interested, staff recommends an adjustment in the range of 15% to 24.6%, (at an annual cost of \$412,700 to \$676,800) the top range being to match the current CalWORKS Maximum Aid Payment, consistent with historical benchmarking practices and the allowable maximum per State law.

Summary of Resources Needed

County staff have worked to pull together a plan that mitigates the anticipated impacts of the H.R. 1 within a quickly changing landscape. Many known-unknowns will persist until, and in some case after, the State passes the FY26-27 budget in June 2026. At this point in time, staff recommends focusing on increasing staffing for eligibility and case worker positions designed to keep as many eligible residents enrolled in Medi-Cal and CalFresh as possible. For those who lose eligibility, staff recommend working with established community partners to meet County responsibilities and, most importantly, to support critical health and food security needs of community members.

Program Changes Impacting Enrollment	Residents Anticipated to Lose Coverage
Medi-Cal	
Unsatisfactory Immigration Status	4,392
Work Requirements	8,733
Increased Renewal Process	12,239
CalFresh	
Unsatisfactory Immigration Status	762
Work Requirements	3,897
Total Individuals Anticipated to Lose Coverage	30,023



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To support these individuals to maintain enrollment and mitigate the impacts on those who lose coverage, staff propose the following investments:

Focus	Request
38.0 FTE Dual-Fill & Time-Limited Eligibility Staff (3 Years, \$18,419,400 total)	FY 26-27: \$5,744,600 FY 27-28: \$6,244,400 FY 28-29: \$6,430,400
Community Health Clinic Funding	\$12,800,000
7.0 FTE Work Requirement Case Managers (3 Years, \$3,963,300 total)	FY 26-27: \$1,236,200 FY 27-28: \$1,343,200 FY 28-29: \$1,383,900
Food System Support*	\$1,000,000
4.0 FTE General Assistance Case Managers	FY 26-27: \$470,700 FY 27-28: \$484,800 FY 28-29: \$499,500
General Assistance Award Increase	\$676,800
FY 26-27 Subtotal	\$21,928,300
CMSP Program Costs – <i>Maximum-as-Is</i>	\$102,490,960
FY 26 - 27 Total	\$124,419,260

*Placeholder/estimate - amount to be determined following Food Convening.

This represents the County’s maximum potential efforts to mitigate H.R. 1 impacts and support community providers due to related impacts. Given the phased in approach of the various regulation changes and impacts on the system, there is opportunity to scale and phase in some of the staffing and support recommendations over FY 26/27. Staff will return at the June Board Hearings with more defined proposals for specific-FY 26/27 staffing and funding needs.

Attachments

Attachment 1 – Potential HR 1 Mitigation Funding Sources

Potential H.R. 1 Mitigation Funding Sources

Ongoing Sources	Available Funding	Use Limited to Specific Scope
BHHU Increased Staffing Needs Set-Aside	\$ 6,623,406	
OPEB Annual Contribution True-Down	\$ 4,500,000	
Revitalization & Reinvestment	\$ 3,500,000	
Community Investment Fund (unprogrammed 9% TOT)	\$ 1,000,000	
1991 Public Health Realignment	\$ 5,690,000	Indigent Health Costs only
Total Ongoing Funding Capacity	\$ 21,313,406	

One-Time Sources	Available Funding	Use Limited to Specific Scope
<i>Available Fund Balance</i>		
Employer County Health Plan Accumulated Contribution	\$ 6,000,000	
Revitalization & Reinvestment	\$ 4,500,000	
Tobacco Deallocated	\$ 4,000,000	
Food Insecurity Initiative Set-Aside	\$ 838,000	
Low Wage Disaster State Insurance Advocacy	\$ 1,000,000	
<i>Programmed Initiatives</i>		
BHHU Staffing Funding	\$ 20,577,838	
BRIC Match	\$ 10,045,573	
Graton Casino Mitigation	\$ 11,805,641	
County Center Modernization	\$ 71,448,092	
FY 24-25 Year End Fund Balance (Roads, Cap Projects, Reserves)	\$ 7,344,397	
1991 Human Services Realignment Fund Balance	\$ 15,073,207	Program Support Staffing only
2011 Human Services Realignment Fund Balance	\$ 17,962,771	Program Support Staffing only
1991 Public Health Realignment Fund Balance	\$ 62,964,549	Indigent Health Costs only
Total One-Time Funding Capacity	\$ 233,560,068	