

Protecting and Strengthening the Safety Net

As lawmakers determine priorities for a potential budget reconciliation package and negotiate funding levels for Fiscal Year (FY) 2025, significant cuts to a wide range of mandatory and discretionary safety net programs are on the table. CSAC understands the need for fiscal discipline at all levels of government and appreciates the need to examine federal spending. At the same time, as an essential intergovernmental partner, **counties believe it is imperative that Congress protect funding for critically important safety net services that California counties provide to low-income families and children.** Reducing funding for these programs will lead to worse health outcomes, increased hunger, more individuals falling further into poverty, and higher long-term costs.

Medicaid

CSAC strongly opposes reductions to Medicaid (Medi-Cal) and the Children’s Health Insurance Program (CHIP), which is a vital federal-state-local intergovernmental partnership safeguarding the health and wellbeing of millions of residents. California counties help finance and administer this program, which serves approximately one in three Californians, including more than five million children. Cuts to Medicaid – whether through structural changes to its financing, reduced federal reimbursement rates, or new eligibility restrictions – would increase costs for the state and counties while leading to millions losing coverage.

On a related matter, CSAC supports legislative efforts to repeal cuts to Medicaid Disproportionate Share Hospital (DSH) allotments (totaling \$8 billion annually), which are slated to begin on April 1, 2025. The cuts will be devastating to county public health care and hospital systems, as well as other hospitals that serve large numbers of Medicaid beneficiaries and uninsured or underinsured patients.

Supplemental Nutrition Assistance Program

CSAC urges Congress to reject cuts to the Supplemental Nutrition Assistance Program (SNAP/CalFresh), which is a strong and effective tool in the fight against hunger and poverty. Serving more than five million California residents in 2024 – 14 percent of the state population – SNAP provided more than \$12 billion in federal benefits redeemed at more than 28,800 retailers across the state. It is vital that the federal government maintain its partnership with the state and counties in funding this critical program, which primarily benefits families with children and individuals living below the federal poverty line. CSAC opposes changes to SNAP that would reduce participation among eligible households, cut benefits, or impose costly and unnecessary administrative requirements on county agencies tasked with delivering the program.

Temporary Assistance for Needy Families

California counties are responsible for administering the Temporary Assistance for Needy Families (TANF/CalWORKs) program. California is one of five states selected to pilot new, innovative metrics for measuring its work and education outcomes under the bipartisan *Fiscal Responsibility Act (FRA) of 2023*. While CSAC recognizes the need for substantive changes to TANF to modernize the program, we urge any reforms to take place in a bipartisan fashion that allows this critical resource to best meet the needs of local communities. In California, TANF primarily supports cash assistance, work activities, supportive services, child care and other programs that help vulnerable families meet their basic needs and eventually

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move towards self-sufficiency. All told, the program serves 824,567 individuals—73 percent of whom are children. Given the fact that counties contribute towards the state’s Maintenance of Effort (MOE) requirements, it is critically important that the federal government continue to pay its full share of the program. CSAC urges Congress to protect TANF from funding cuts or programmatic changes aimed at reducing access to the program, particularly as the FRA pilots are being launched.

Discretionary Programs and Other HHS Priorities

Along with ensuring these entitlement programs remain fully funded and accessible to California residents, CSAC supports critical funding increases to discretionary programs aimed at supporting vulnerable residents, including: the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); child care and early learning programs that provide access to affordable and reliable options to promote whole-child development and support overall family well-being; and, formula funding to local Area Agencies on Aging, many of which are seeing rising demand for senior nutrition services and unable to meet that growing need.

California’s counties fund and coordinate essential behavioral health services, including those provided in county-owned and operated community health facilities. CSAC appreciates the recent investments supporting crisis continuums of care – including federal appropriations for 988 and mobile crisis response services – and supports additional funding and expanded flexibilities to support the recruitment, training, and retention of a sufficient behavioral health workforce. Finally, CSAC continues to support the repeal of the Institutions for Mental Diseases (IMD) exclusion in order to reduce barriers to the provision of comprehensive behavioral health treatment and services at the county level and to increase access to care.