

# The Board of Supervisors

County Administration Building  
1025 Escobar Street, First Floor  
Martinez, California 94553-1293

**John Gioia**, 1st District  
**Candace Andersen**, 2nd District  
**Diane Burgis**, 3rd District  
**Ken Carlson**, 4th District  
**Shanelle Scales-Preston**, 5th District

# Contra Costa County



**Monica Nino**  
Clerk of the Board  
and  
County Administrator  
(925) 655-2075

March 31, 2026

Honorable Caroline Menjivar, Chair  
Senate Budget & Fiscal Review  
Subcommittee No. 3  
1021 O Street, Suite 6630  
Sacramento, CA 95814

Honorable Corey Jackson, Chair  
Assembly Budget Subcommittee No. 2  
1021 O Street, Room 8230  
Sacramento, CA 95814

## **RE: Budget Request: Protect Californians' Food Benefits and Medi-Cal from H.R. 1**

Dear Chairs Menjivar and Jackson:

As Chair of the Board of Supervisors of Contra Costa County, I respectfully urge action in the Budget Act of 2026 to support counties' in helping clients navigate major federal changes enacted under H.R. 1 (2025) affecting both CalFresh and Medi-Cal. County eligibility workers serve as the front line for administering these programs and helping low-income Californians access essential nutrition and health coverage.

Without targeted State investments and statutory protections for counties and eligibility workers, H.R. 1 will create serious risks to continuity of food assistance and health coverage for vulnerable Californians. In Contra Costa County, approximately 105,000 residents receive CalFresh and 310,000 residents receive Medi-Cal. These residents depend on county-administered eligibility systems that must now implement new federal requirements on an accelerated timeline and without adequate funding.

Budget action is needed to ensure counties can implement H.R. 1 responsibly to minimize preventable benefit loss, protect state and federal funding, and mitigate downstream impacts associated with reduced access to concrete supports like increases in homelessness, involvement in the child welfare system, uncompensated care, and decreases in life expectancy.

### **Protect Food Access Through Adequate Support for ABAWD Implementation**

Effective June 1, 2026, in California, H.R. 1 significantly expands the federal Able-Bodied Adults Without Dependents (ABAWD) three-month time limit and work requirements, placing nearly one million Californians at risk of losing food assistance unless they meet complex work requirements or qualify for exemptions.

These new rules will require counties to conduct multiple rounds of exemption screening, educate clients, and help non-exempt clients meet their required work hours. Many beneficiaries, particularly those with unstable employment or limited data in the eligibility system may be at risk of losing benefits and will require intensive engagement and conversation with the eligibility worker to protect their benefits.

Without adequate funding in the amount of **\$9.3 million General Fund in FY 2025-26, \$103 million General Fund in FY 2026-27, and \$58 million General Fund ongoing**, eligible individuals are likely to lose benefits due to procedural barriers rather than true ineligibility. Counties will need sufficient staffing to: conduct robust screening for exemptions; provide clear and repeated client education on complex requirements; support non-exempt CalFresh recipients in overcoming documentation challenges; monitor compliance and intervene before inappropriate discontinuances and refer clients to employment and training programs; and reduce churn, error rates, and downstream costs.

In Contra Costa County, these requirements will require significant new staffing and operational resources at a time when counties are already operating at capacity. Adequate funding is essential to prevent avoidable hunger and disruption in food assistance.

We also note that the **Budget Act of 2025 provisionally set aside \$20 million General Fund** for county administration to implement ABAWD requirements and support affected clients, subject to Department of Finance approval. **We call on the Legislature to request the Administration release these funds immediately** to help offset this budget request to support the imminent implementation of these requirements.

Contra Costa County anticipates operational and customer service challenges with the implementation of CalFresh ABAWD work requirements. Requirements further require staff to evaluate nearly all CalFresh cases for work registration and ABAWD exemptions. Every case must receive a full exemption review, CalSAWS screening, participation tracking, and appropriate referrals. Screening, verification, engagement monitoring, and appeals increase the total workload by an estimated 317,961 additional hours annually. This requires the addition of approximately 177 additional Eligibility Worker (EW) FTEs based on available working hours per employee. Customers will face additional documentation requirements to verify work, school, or volunteer activities. Customers risk losing benefits if they fail to comply. These changes may increase food insecurity and create additional barriers for vulnerable residents.

### **Protect Medi-Cal through County Administration and CPI Adjustments**

H.R. 1 imposes major new and onerous requirements on certain adults in Medi-Cal, including work and community engagement requirements and more frequent eligibility redeterminations, affecting approximately 4.6 million Californians beginning January 2027.

Counties will be responsible for implementing these changes and supporting millions of enrollees in navigating new reporting and verification requirements. Many affected individuals will require direct assistance from county eligibility workers because their exemptions or compliance cannot be verified automatically through existing data sources, meaning they are at an increased risk of losing their Medi-Cal coverage.

### **Counties urge your support for increased Medi-Cal administrative funding, which leverages enhanced federal funding of 75 percent:**

- \$230.9 million General Fund in FY 2026-27,
- \$304.7 million General Fund in FY 2027-28,
- \$175.9 million General Fund in FY 2028-29, and
- \$114.1 million General Fund ongoing thereafter.

At the same time, counties face serious constraints in keeping up with baseline growth in costs due to the suspension of Medi-Cal Consumer Price Index (CPI) adjustments through FY 2027-28. Without CPI adjustments, county administrative funding is not keeping pace with rising salary and operating costs,

threatening counties' ability to retain experienced eligibility staff. Counties also request your support for **restoration of CPI adjustments beginning FY 2026-27 and ongoing (\$78.5 million total funds, \$39.2 million General Fund).**

Requirements proposed for ACA Expansion Adults under Affordable Care Act would require adults ages 19–64 to meet work or exemption criteria to maintain full-scope Medi-Cal coverage. Additionally, that same population would have an increased renewal requirement from once to twice per year—doubling renewal workload. Contra Costa County estimates an additional 1.2 hours of staff time per adult annually. We'll likely need an additional 185 to 268 FTE's to process more frequent renewals, cover higher call volumes, process more appeals and expanded exemption screening.

Adequate investment in Medi-Cal administration and restoration of CPI adjustments are critical to:

- Prevent avoidable coverage loss
- Maintain a stable eligibility workforce
- Support timely redeterminations
- Maximize federal administrative funding
- Reduce downstream uncompensated care costs

Counties will struggle to implement H.R. 1 in a manner that preserves access to care and protects the State's historic investments in health coverage without these investments.

#### **Authorize a CalFresh Match Waiver to Protect State and Federal Funding**

H.R. 1 also shifts CalFresh administrative costs to states and counties, triggering an automatic increase in county match requirements under 1991 realignment law beginning in October 2026.

This cost shift is estimated to exceed \$200 million annually for counties. Without relief, some counties may be unable to meet match requirements, potentially leaving substantial state and federal funds unclaimed. Counties will be in danger of not being able to run their programs because they do not have the funds to draw down the federal and state funds. This threatens widening inequities for the CalFresh program.

**A CalFresh match waiver provides a pragmatic and budget-neutral solution that allows counties unable to come up with the increased match to continue drawing down their State General Fund allocations and associated federal funding.**

Match waivers have been successfully implemented during prior economic downturns and emergencies, including the Great Recession and the COVID-19 pandemic, and is a vital tool to help ensure that available CalFresh funding is fully utilized to support Californians experiencing food insecurity. A match waiver is a critical tool to **prevent the worst-case outcome in loss of funding** for CalFresh Administration as a result of H.R. 1.

#### **Hold Counties Harmless from Pre- H.R. 1 Federally-Driven Payment Error Rate Fiscal Sanctions**

As counties implement complex federal changes under H.R. 1, they face increased exposure to federal SNAP Payment Error Rate (PER) fiscal sanctions, that pre-date H.R. 1, and which will be exacerbated by federal policy changes and circumstances outside county control.

Long-standing federal rules, separate from H.R. 1, impose financial sanctions on states that exceed 105 percent of the national PER average for two consecutive federal fiscal years. A portion of these penalties are passed through to 19 Performance Measurement Counties in California. Counties are already facing heightened PER risk due to federally-driven changes and operational disruptions. Additional fiscal penalties

would divert resources away from client services at precisely the time when counties must invest heavily in implementation of new federal requirements.

Contra Costa County is one of the 19 Performance Measurement Counties (PMC) whose share of state-paid benefits will be determined by payment error rates which increases pressure on our county to reduce errors. Workers will take on additional responsibilities to track and correct over- and under-issuances, respond to more customer inquiries, and complete additional case actions and payment monitoring. If the state cannot afford its share and opts out of SNAP, benefits could be interrupted for all recipients.

Statutory and regulatory changes are needed to temporarily hold counties harmless from federally-driven PER increases for the pre- H.R. 1 penalties so counties can focus their limited resources on serving clients and maintaining program integrity. Without these protections, counties may face significant cost pressures that would undermine their ability to implement H.R. 1 effectively.

In conclusion, H.R. 1 represents one of the most significant and devastating challenges facing low-income Californians in accessing the social safety net and obtaining food and health care. Counties remain committed to implementing these changes responsibly and minimizing harm to the Californians who depend on these programs. However, counties cannot absorb these new requirements and assist clients without adequate State support.

The County of Contra Costa respectfully urges adoption of budget actions that:

- Fund CalFresh ABAWD work requirement implementation
- Strengthen Medi-Cal county administration and restore CPI adjustments
- Authorize a CalFresh match waiver
- Protect counties from federally-driven pre-H.R. 1 PER fiscal sanctions

These investments will help preserve food access and health coverage for vulnerable Californians while protecting the State's interests and maximizing federal funding. Thank you for your leadership during this challenging time.

Sincerely,



DIANE BURGIS  
Chair, Board of Supervisors

cc: Honorable Members, Contra Costa County Board of Supervisors  
Monica Nino, County Administrator  
Dr. Marla Stuart, Director of Employment and Human Services  
Michelle Rubalcava & Geoff Neill, Nielsen Merksamer

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# Contra Costa County



**Monica Nino**  
Clerk of the Board  
and  
County Administrator  
(925) 655-2075

March 30, 2026

The Honorable Robert Rivas  
Speaker California State Assembly  
1021 O Street, Suite 8330  
Sacramento CA, 95814

The Honorable Jesse Gabriel  
Chair, Assembly Budget Committee  
1021 O Street, Suite 8230  
Sacramento CA, 95814

The Honorable David Tangipa  
Vice Chair, Assembly Budget Committee  
1021 O Street, Suite 4310  
Sacramento CA, 95814

## **RE: County H.R. 1 Budget Request**

Dear Speaker Rivas, Assemblymember Gabriel, and Assemblymember Tangipa:

On behalf of the Contra Costa County Board of Supervisors, I write to express our commitment to working with the Legislature to protect our safety net from the impacts of H.R. 1. This law fundamentally shifts fiscal responsibility for health and human services programs from the federal government to states and counties. To protect the people in our community and across the state who rely upon county safety net services to meet their basic needs, we must take action in partnership with the state. We stand together with county partners including California State Association of Counties (CSAC), Urban Counties of California (UCC), the California Welfare Directors Association (CWDA), California Public Hospital Association (CAPH), and others to share a multi-year countywide H.R. 1 budget request.

H.R. 1 will increase county health and human services program costs due to expanded demand for indigent medical care, direct cost shifts to counties, increased county eligibility workload, and changes to Medi-Cal financing. Contra Costa County anticipates that the impact of these changes could result in statewide county costs ranging from \$6.0 billion to \$9.5 billion annually at full implementation. Counties have collectively developed a reasonable multi-year request for state funding of \$1.9 billion in 2026-27 and \$4.5 billion in 2027-28 to address these impacts. This request is outlined below and further detailed in the coalition H.R. 1 County Budget Multi-Year Request attachments.

### **County Indigent Care – \$761 million in 2026-27 and \$2.4 billion in 2027-28, ongoing**

Counties are mandated to provide indigent care to low-income Californians who have no other source of health care. When the Affordable Care Act was implemented and demand for indigent care dramatically reduced, the Realignment funding provided to counties to meet this mandate was redirected by the state to other purposes. With more than one million people estimated to lose

Medi-Cal coverage, California residents will come to counties for these services. Currently, counties do not have a funding source to provide this care on behalf of the state. Counties need funding from the state to provide state-mandated basic health care to roughly 417,000 people, or about one-third of the individuals who are estimated to lose coverage through the new community engagement requirements, seek this care, and be eligible for these services. The indigent care funding request also includes \$200 million in one-time funding in 2026-27 to rebuild the infrastructure that will be needed to provide this care and \$50 million in ongoing funding for public health programs to provide services to individuals who lose health care coverage.

**Public Hospital Systems – \$500 million in 2026-27 and \$850 million in 2027-28, ongoing**

County public hospital systems rely on a funding mechanism known as state-directed payments to cover the non-federal share of costs for providing inpatient Medi-Cal services. H.R. 1 reduces the ability of states to use these payments, which will significantly reduce public hospital system revenues. Counties request funding to begin stabilizing public hospital system revenues and protect patient care.

**County Eligibility – \$373 million in 2026-27 and \$402 million in 2027-28, ongoing**

The county eligibility workforce plays an essential role in helping individuals and families obtain and retain Medi-Cal coverage and CalFresh benefits. Counties face a substantial increase in workload as a result of the new Medi-Cal community engagement requirements, more frequent Medi-Cal redeterminations, and reinstated and expanded CalFresh work requirements. The county eligibility request reflects the increased funding that will be needed for counties to implement the new eligibility requirements and maximize the number of people who can obtain exemptions or meet the work requirements to keep their health care and nutrition assistance. It also includes two budget neutral CalFresh items: (1) provide a temporary match waiver allowing counties to draw down full federal funding; and (2) hold counties harmless for penalties occurring outside of county control which are exacerbated by H.R. 1.

**County Behavioral Health – \$224 million in 2026-27 and \$828 million in 2027-28, ongoing**

In addition to Medi-Cal specialty mental health services and substance use disorder services, counties provide behavioral health coverage to other individuals. Demand for these services is likely to increase as individuals lose eligibility for Medi-Cal. This budget request will support counties in providing services to this population.

The county H.R. 1 multi-year budget request is intended to mitigate direct harm to Contra Costa County residents who will lose health and nutrition services, as well as prevent cuts to other critical services that counties provide such as public safety and elections. This request comprehensively addresses the wide-ranging impacts to county health and human services programs. With this funding, counties will be able to maximize the number of individuals who retain Medi-Cal and CalFresh, rebuild county indigent care programs to serve individuals who lose health coverage, and protect needed patient care in public hospitals.

Addressing the health care and nutrition assistance needs of individuals impacted by the H.R. 1 changes to Medi-Cal and CalFresh will be a fundamental, structural element of the state's budget in 2026-27 and for years to come. We have attached information that details this multi-year budget request. Contra Costa County is eager to partner with the Legislature and the Administration to find workable fiscal and policy solutions to protect our County's residents. Thank you for your

consideration of this critical request, which is essential to preserving safety net services for food security and health care for vulnerable members of our community.

Sincerely,



DIANE BURGIS

Chair, Board of Supervisors

- cc: Honorable Members, Assembly Budget Committee  
Honorable Assemblymember Anamarie Ávila Fariás  
Honorable Assemblymember Rebecca Bauer-Kahan  
Honorable Assemblymember Buffy Wicks  
Honorable Assemblymember Lori Wilson  
Honorable Members, Contra Costa County Board of Supervisors  
Monica Nino, County Administrator  
Michelle Rubalcava & Geoff Neill, Nielsen Merksamer
  
- encl: County H.R. 1 Budget Request Summary  
County H.R. 1 Budget Request Analysis



# Total H.R. 1 County Multi-Year Budget Request

H.R. 1 represents a fundamental shift of fiscal responsibility for safety net programs from the federal government to states and counties.

The table below outlines California Counties' Multi-Year Budget Request for the 2026-27 and 2027-28 fiscal years.

	2026-27	2027-28
<b>Indigent Care *</b>	\$761 million	\$2.4 billion
Funds state mandated, subsistence level care assuming 33% percent of those losing Medi-Cal coverage due to work requirements seek this care and are eligible for services.		
<b>Public Hospital Systems</b>	\$500 million	\$850 million
Begins stabilizing public hospital system revenues and protecting patient care.		
<b>County Eligibility</b>	\$373 million	\$402 million
Funds implementation of new eligibility requirements for Medi-Cal and CalFresh and robust screening and supports to maximize the number of individuals who can retain coverage and assistance.		
<b>County Behavioral Health</b>	\$224 million	\$828 million
Funds behavioral health services for individuals who will lose Medi-Cal coverage and seek services from counties.		
<b>TOTAL</b>	<b>\$1.9 billion</b>	<b>\$4.5 billion</b>

*\* Note that the indigent care request includes \$200 million in 2026-27 in one-time infrastructure building funds, to be available for expenditure over three years, and \$50 million in each year for increased county public health costs to provide services to those who lose health care coverage.*

## Key Facts

- This request assumes that county indigent care programs serve 33% of the people who lose Medi-Cal coverage due to community engagement requirements.
- Counties would provide indigent care services to approximately 417,000 people.
- Roughly 880,000 people who lose state Medi-Cal coverage due to work requirements would likely have no health care coverage.



Healthcare



Food



# California Counties' H.R. 1 Multi-Year Budget Request

In order to ensure that individuals and families continue to have access to medical care and nutrition benefits, the state budget must provide a significant, multi-year investment to counties to prevent critical harm from occurring in California's communities.

- In February 2026, county partners collectively released an [H.R. 1 Fact Sheet](#) detailing a range of \$6 billion to \$9.5 billion annual fiscal impact at full implementation to counties. This fact sheet provides a range of costs due to the uncertainty related to the actual number of Californians who will go to counties for services they would have otherwise received from the state.
- Since the fact sheet's release, county partners have worked to educate legislators, the administration and the public on the essential work counties will be required to perform on behalf of the state to meet the needs of California communities as they begin to implement H.R. 1.
- Providing resources to mitigate the detrimental impacts of H.R. 1 is a structural part of the state's budget and one of the overarching issues that must be addressed this budget year and the years moving forward.
- Counties are not able to address these impacts on our own and a true partnership over a multi-year period with the state is needed in order to prevent our safety net from crumbling.
- California counties request \$1.9 billion in 2026-27 and \$4.5 billion in 2027-28 to address the impacts of H.R. 1. See the additional coalition document for a more detailed description and analysis of the budget resources needed for counties to continue serving our communities.



Healthcare



Food



# County Approach to H.R. 1 Implementation and Funding Needs

H.R. 1 will result in a large number of people seeking indigent medical care from counties and substantial financial impacts to counties due to changes to Medi-Cal financing, increased county workload, and cost shifts. Since the passage of H.R. 1, the California State Association of Counties and affiliated organizations – County Health Executives Association of California (CHEAC), County Medical Services Program (CMSP), California Association of Public Hospitals & Health Systems (CAPH), County Welfare Directors Association (CWDA), County Behavioral Health Directors Association (CBHDA), Urban Counties of California (UCC), and Rural County Representatives of California (RCRC) – have worked to analyze the programmatic impacts, quantify the costs likely to be imposed by H.R. 1 and to develop a responsible multi-year budget request to implement the various requirements of H.R. 1.

In January, counties released a **county coalition document** that outlines our advocacy principles in response to H.R. 1. These include:

- **Maintain Coverage and Benefits** - Counties support efforts to maximize the ability to keep people enrolled in state and federal safety net programs using systems with existing and proven competencies like the county eligibility workforce.
- **Fund New Requirements** - Counties support ongoing and stable revenues for any new or expanded administrative requirements and service responsibilities and to address federal funding cuts.
- **Keep Existing Commitments** - Counties oppose reduced funding for existing county programs and responsibilities, unfunded expansions of existing mandates, or new unfunded mandates.



Healthcare



Food



- **Increase Efficiency** - Counties support streamlining efforts that can create program coordination, improve accuracy, and support county staff in managing increased workload.
- **Provide Relief and Reduce Burdens** - Counties support appropriate relief from existing mandates where possible and reducing state-level requirements that add costly administrative burdens.

## H.R. 1 and the State Budget

Funding for health and human services programs such as Medi-Cal and CalFresh is second only to K-14 Education/Proposition 98 funding as a share of the state budget and exceeds Proposition 98 when factoring in federal funds. Addressing the impacts on Medi-Cal, including providing care to those who may lose coverage, as well as CalFresh, will be a fundamental, structural element of the development of the 2026-27 state budget. The following information provides a more detailed description and analysis of county costs and the services that will be provided with this funding.

	2026-27	2027-28
<b>Indigent Care *</b>	\$761 million	\$2.4 billion
<b>Public Hospital Systems</b>	\$500 million	\$850 million
<b>County Eligibility</b>	\$373 million	\$402 million
<b>County Behavioral Health</b>	\$224 million	\$828 million
<b>TOTAL</b>	<b>\$1.9 billion</b>	<b>\$4.5 billion</b>

*\* Note that the indigent care request includes \$200 million in 2026-27 in one-time infrastructure building funds, to be available for expenditure over three years, and \$50 million in each year for increased county public health costs to provide services to those who lose health care coverage.*





# Analysis of County H.R. 1 Budget Request for Community Health and Nutrition Services for the 2026-27 and 2027-28 Fiscal Years

The requirements of H.R. 1 will have a generational impact on the relationship between the state and California counties. Fundamentally, this law shifts the delivery and cost of providing healthcare and nutrition services from the federal government to the state and counties. Therefore, addressing the health care and nutrition assistance needs of individuals impacted by the H.R. 1 changes to Medi-Cal and CalFresh will be a fundamental, structural element of the state's budget in 2026-27 and moving forward.

Counties analyzed the programmatic impacts of H.R. 1 on county administered state programs—such as Medi-Cal and CalFresh—as well as the downstream effects on other county services and subsequently estimated the associated costs of these changes.

In developing cost estimates, counties relied on estimates from the state regarding the number of people who will be subject to new H.R. 1 policies, such as new Medi-Cal community engagement requirements and reinstated CalFresh work requirements. Counties also relied on estimates from the Department of Health Care Services (DHCS) regarding the number of people who are anticipated to lose Medi-Cal coverage.

## County Indigent Care Programs



**Background:** Historically, counties provided indigent care to low-income Californians who had no other source of health care. Those county indigent care programs are only required to provide basic, subsistence-level health care, not comprehensive health insurance. Providing such care is mandated by the state, pursuant to Welfare and Institutions Code Section 17000. To fund those state-mandated services, counties were provided 1991 Realignment funding.

**Total Budget Request: \$761 million in 2026-27 and \$2.4 billion in 2027-28 and ongoing (\$200 million of 2026-27 amount is one-time)**

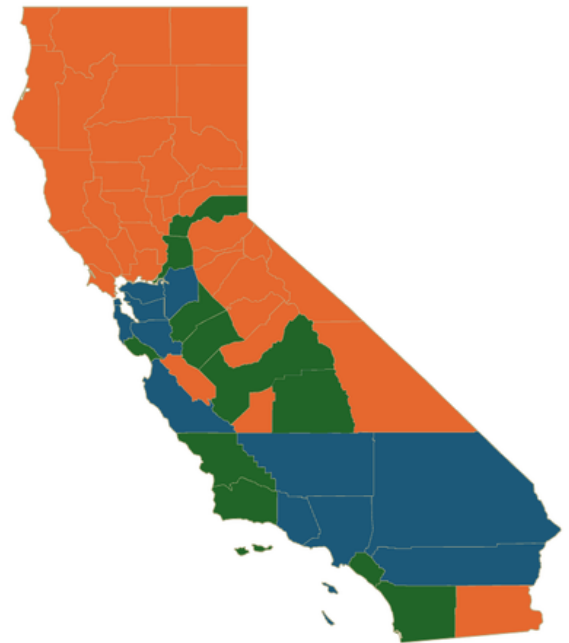


After the implementation of the Affordable Care Act (ACA) which expanded coverage through Medi-Cal and Covered California, county indigent care programs were dramatically scaled down. The state began annually redirecting 1991 Health Realignment funding that had historically supported indigent care—through AB 85 (Chapter 24, Statutes of 2013)—to other purposes. The state also reduced the rate of growth for 1991 Realignment revenues deposited into the health subaccount, further diminishing the funding available to counties for indigent care and public health.

Counties are not obligated to provide services to individuals who are undocumented and behavioral health services are not included in the indigent care mandate. The eligibility requirements, cost sharing requirements, and benefit levels varied considerably between counties.

Counties provide indigent care programs using three models:

- **County Medical Services Program (CMSP)** – 35 rural and semi-rural counties collectively contract with clinics and hospitals to provide indigent care.
- **Article 13 Counties** - 11 counties provide indigent care either directly, through contracted providers, or through hybrid models.
- **Public Hospital System Counties** – 12 counties use their public hospital systems to either exclusively or significantly provide indigent care.



***Details of County Budget Request to Operate Indigent Care Programs***

Counties previously **estimated the overall anticipated costs** to provide services across a range of estimated demand for services.



To construct a responsible and realistic request for state funding to operate county indigent care programs, given the impacts of H.R. 1, counties made a number of key assumptions.

- Section 17000 requirements do not require counties to provide coverage for undocumented individuals. Counties focused on the population of individuals who are projected by DHCS to lose Medi-Cal coverage due to community engagement requirements, adjusted to only reflect the share of that population with satisfactory immigration status.
- Counties assumed that 33% of those who lose Medi-Cal coverage will seek care and be eligible for services from county indigent care programs. Counties assumed that the enrollment rate would be at the low end of estimated enrollment scenarios, because of the limited set of services provided, eligibility requirements of county programs, cost sharing requirements used by many counties, and county efforts to assist those seeking indigent care with reenrolling in Medi-Cal, if they are eligible.
- Counties estimated per person per month costs based on a combination of historic per member costs for pre-ACA indigent care programs (trended forward to reflect inflation in costs) and current health care costs for the kinds of services that are typically provided by indigent care programs. For CMSP counties, the estimated per person per month cost is \$551, for Article 13 counties it is \$331 per person per month, and for public hospital system counties it is \$421 per person per month.
- Counties will need to rebuild the infrastructure to operate indigent care programs. This funding will be used to establish core systems and capabilities across the twenty-three non-CMSP counties, including clinical infrastructure, information technology systems, fiscal, legal, and administrative infrastructure, and workforce and operational support. These funds will also support the development of systems and processes within indigent care programs to collect the documentation needed to support the state and county eligibility workforce in making medical frailty and disability determinations required to exempt people from Medi-Cal community engagement requirements, allowing some people to return to full-scope Medi-Cal coverage.





- Because Medi-Cal community engagement requirements begin in January 2027 and individuals will be subject to community engagement requirements upon their annual (and then six-month) redetermination date, counties assume that individuals who will seek services from indigent care programs will begin doing so in the last quarter of the 2026-27 budget year.
- Note that this estimate assumes that 67% of individuals with satisfactory immigration status who lose Medi-Cal eligibility due to work requirements (about 880,000 individuals) and all undocumented individuals who lose Medi-Cal coverage will likely no longer have a source of health care coverage.

### ***County Indigent Care Programs Multi-Year Budget Request***

- Infrastructure Building – ***\$200 million in 2026-27***, to be used over three years.
- Direct Medical Services and Administration
  - ***\$561 million in 2026-27*** to support the delivery of direct medical services to newly eligible medically indigent adults and associated administrative support in the 23 non-CMSP counties. (This includes \$50 million per year in 2026-27 and ongoing for increased county public health costs to provide services to those who lose health care coverage.)
  - ***\$2.4 billion in 2027-28 and ongoing*** to provide medical services in all 58 counties.





## Public Hospital System Financing



**Background:** For decades, California's public hospital systems have been required to fund the non-federal share of inpatient Fee-For-Service Medi-Cal costs without receiving State General Fund support for those expenditures. Since Medi-Cal managed care base rates do not cover the cost of providing care, public hospital systems have relied on federal supplemental payments, including state directed payments, to supplement base rates. H.R. 1 targets these payments, which will reduce public hospital system revenue by \$2.3 billion annually once H.R. 1 is fully implemented.

**Total Budget Request: \$500 million in 2026-27 and \$850 million in 2027-28 and ongoing**

### **Details of Anticipated Fiscal Impacts to Public Hospital System**

H.R. 1 will increase fiscal pressures on California's public hospital systems by capping and reducing state directed payments, reducing the federal match for emergency care for childless adults with Unsatisfactory Immigration Status, and reducing the number of patients with Medi-Cal coverage. This will lead to an estimated reduction in federal funding of \$3.4 billion annually once H.R. 1 is fully implemented.

### **County Multi-Year Budget Request to Support the Operation of Public Hospital Systems**

In order to begin offsetting the impact of the coming reduction in SDPs, counties request **\$500 million in 2026-27 and \$850 million in 2027-28 and ongoing** to begin stabilizing public hospital system revenues and protecting patient care.



## County Eligibility Workforce



**Background:** The county eligibility workforce assists individuals and families with obtaining and retaining coverage and benefits, drawing down additional federal funds to do so. As the H.R. 1 Medi-Cal community engagement requirements are implemented and counties are required to reinstate CalFresh work requirements, there will be new costs for the increased county eligibility work to assist eligible Medi-Cal and CalFresh enrollees in maintaining their enrollment.

**Total Budget Request: \$373 million in 2026-27 and \$402 million in 2027-28 and ongoing**

### **Details of Anticipated Fiscal Impacts to County Eligibility Workforce**

For Medi-Cal, there will be increased workload related to the new work and community engagement requirements for existing enrollees and new applicants who will be required to demonstrate compliance one month before enrollment, as well as a doubling of redeterminations. This includes properly identifying and certifying key exemptions, supporting enrollees engaged in qualifying activities, and connecting enrollees to employment, educational, and volunteer opportunities. DHCS estimates that up to 2.8 million enrollees (60%) will require some form of manual county-worker support and verification.

For CalFresh, there will be increased workload related to the changes to the reinstated and expanded work requirements. This includes robust screening to identify those who are exempt from work requirements, supporting recipients who are not exempt with overcoming documentation challenges, and connecting them with employment and training opportunities. CDSS estimates that nearly 1 million recipients will require some form of manual county worker support and verification. In addition, for CalFresh, the federal government is reducing its contribution to administration costs from 50 percent to 25 percent, resulting in an increase of the county share from 15 percent to 22.5 percent.

### **Methodology for Anticipated Cost Estimate for County Eligibility Workforce**

To construct a responsible and realistic request for state funding for county eligibility work for Medi-Cal and CalFresh, counties made the following assumptions to capture the workload necessary to support H.R. 1.



- **For Medi-Cal, an estimated additional 2,000 eligibility workers statewide will be required to accommodate the following additional hours of workload –**
  - Additional 3.5 hours per client, per year for robust exemption and compliance review for individuals who cannot be verified by automated data matches.
  - Additional 50 minutes per client for those initially deemed noncompliant for follow up to resolve documentation issues.
  - Additional 1.2 hours per client, per year for the more frequent six-month eligibility redeterminations.
- **For CalFresh, an estimated up to additional 400 – 500 eligibility workers statewide will be required to accommodate the following additional hours of workload –**
  - Additional 3.92 to 4.25 hours per client, per year to explore eligibility for exemptions or provide support in understanding needs to retain benefits.

**County Eligibility Workforce Multi-Year Budget Request**

To implement the eligibility requirements of H.R. 1, counties request **\$373 million in 2026-27 and \$402 million in 2027-28 and ongoing** to implement the increased eligibility requirements of H.R. 1. Likewise, we also request two budget neutral actions.

	2026-27	2027-28
<b>Medi-Cal Eligibility Workforce</b>	\$270 million	\$344 million
<b>CalFresh County Eligibility Workforce</b>	\$103 million	\$58 million
<b>Total</b>	<b>\$373 million</b>	<b>\$402 million</b>

- **CalFresh County Share of Cost Match Waiver** - Adopt a temporary CalFresh match waiver that maintains county contributions at 2024-25 levels, allowing counties to draw down the full amount of federal funds and state funds commensurate with what has already been budgeted.
- **CalFresh Penalties Hold Harmless** - Enact statutory changes to hold impacted counties harmless for any penalties for payment accuracy that result from circumstances outside of county control, which are exacerbated by H.R. 1.



# Analysis of County H.R. 1 Budget Request for Community Behavioral Health Services for the 2026-27 and 2027-28 Fiscal Years

## County Behavioral Health Programs



**Background:** Under current law, county behavioral health programs provide Medi-Cal specialty mental health services and substance use disorder services, largely using Realignment funding. Counties also provide behavioral health services to other individuals using other fund sources such as from the Behavioral Health Services Act. Under 1991 Realignment, county behavioral health programs are required to provide services to those not enrolled in Medi-Cal, to the extent that resources are available. As people lose eligibility for Medi-Cal, some of those individuals may seek care for their behavioral health needs from counties. To the extent that resources are available, counties would provide services to that population.

**Total Budget Request: \$224 million in 2026-27 and \$828 million in 2027-28 and ongoing**

### **Details and Methodology of Anticipated Fiscal Impacts to County Behavioral Health Programs**

As people lose Medi-Cal eligibility due to the changes in H.R. 1, there will be increased demand for behavioral health services. Because county indigent care programs are not required to and historically did not provide behavioral health services, people who need services may turn to county behavioral health programs.

To estimate the demand for services, counties relied on estimates from DHCS of the number of people who are projected to lose Medi-Cal coverage due to community engagement requirements, the change to six-monthly eligibility redeterminations, and the elimination of full scope Medi-Cal benefits for certain migrant populations. Counties used the current penetration rate for Medi-Cal behavioral health services (the share of the Medi-Cal enrolled population that currently receives these services) to estimate the number of people likely to seek services and a range of costs per enrollee of \$6,300 per year to \$21,000 per year, to reflect the possible utilization of services.





To construct a responsible and realistic request for state funding to provide behavioral health services to those who lose Medi-Cal eligibility, counties made a number of key assumptions:

- Counties relied on estimates from the Department of Health Care Services of the number of people who are projected to lose Medi-Cal coverage due to community engagement requirements, the change to six-monthly eligibility redeterminations, and the elimination of full scope Medi-Cal benefits for certain migrant populations.
- To determine how many of those people may seek services for behavioral health needs, counties used the current penetration rate for Medi-Cal behavioral health services (the share of the Medi-Cal enrolled population that currently receives these services) to estimate the number of people likely to seek services. This equates to about 27,000 people seeking services in 2026-27 and 89,000 individuals seeking services in 2027-28.
- Counties assumed that the statewide average cost to provide services will be about \$10,000 per enrollee per year, which is a mid-range estimate of the current cost to provide behavioral health services.

### ***County Behavioral Health Multi-Year Budget Request***

Based on these assumptions, counties anticipate that up to 89,000 people will seek services. To provide services to those who lose Medi-Cal coverage and seek services, Counties request ***\$224 million in 2026-27 and \$828 million in 2027-28 and ongoing***



# The Board of Supervisors

County Administration Building  
1025 Escobar St., 4<sup>th</sup> floor  
Martinez, California 94553

**John Gioia**, 1<sup>st</sup> District  
**Candace Andersen**, 2<sup>nd</sup> District  
**Diane Burgis**, 3<sup>rd</sup> District  
**Ken Carlson**, 4<sup>th</sup> District  
**Shanelle Scales-Preston**, 5<sup>th</sup> District

# Contra Costa County



**Monica Nino**  
Clerk of the Board  
and  
County Administrator  
(925) 655-2075

March 30, 2026

The Honorable Gavin Newsom  
Governor, State of California  
1021 O Street, Suite 9000  
Sacramento CA, 95814

## **RE: County H.R. 1 Budget Request**

Dear Governor Newsom:

On behalf of the Contra Costa County Board of Supervisors, I write to express our commitment to working with the Administration to protect our safety net from the impacts of H.R. 1. This law fundamentally shifts fiscal responsibility for health and human services programs from the federal government to states and counties. To protect the people in our community and across the state who rely upon county safety net services to meet their basic needs, we must take action in partnership with the state. We stand together with county partners including California State Association of Counties (CSAC), Urban Counties of California (UCC), the California Welfare Directors Association (CWDA), California Public Hospital Association (CAPH), and others to share a multi-year countywide H.R. 1 budget request.

H.R. 1 will increase county health and human services program costs due to expanded demand for indigent medical care, direct cost shifts to counties, increased county eligibility workload, and changes to Medi-Cal financing. Contra Costa County anticipates that the impact of these changes could result in statewide county costs ranging from \$6.0 billion to \$9.5 billion annually at full implementation. Counties have collectively developed a reasonable multi-year request for state funding of \$1.9 billion in 2026-27 and \$4.5 billion in 2027-28 to address these impacts. This request is outlined below and further detailed in the coalition H.R. 1 County Budget Multi-Year Request attachments.

### **County Indigent Care – \$761 million in 2026-27 and \$2.4 billion in 2027-28, ongoing**

Counties are mandated to provide indigent care to low-income Californians who have no other source of health care. When the Affordable Care Act was implemented and demand for indigent care dramatically reduced, the Realignment funding provided to counties to meet this mandate

was redirected by the state to other purposes. With more than one million people estimated to lose Medi-Cal coverage, California residents will come to counties for these services. Currently, counties do not have a funding source to provide this care on behalf of the state. Counties need funding from the state to provide state-mandated basic health care to roughly 417,000 people, or about one-third of the individuals who are estimated to lose coverage through the new community

engagement requirements, seek this care, and be eligible for these services. The indigent care funding request also includes \$200 million in one-time funding in 2026-27 to rebuild the infrastructure that will be needed to provide this care and \$50 million in ongoing funding for public health programs to provide services to individuals who lose health care coverage.

**Public Hospital Systems – \$500 million in 2026-27 and \$850 million in 2027-28, ongoing**

County public hospital systems rely on a funding mechanism known as state-directed payments to cover the non-federal share of costs for providing inpatient Medi-Cal services. H.R. 1 reduces the ability of states to use these payments, which will significantly reduce public hospital system revenues. Counties request funding to begin stabilizing public hospital system revenues and protect patient care.

**County Eligibility – \$373 million in 2026-27 and \$402 million in 2027-28, ongoing**

The county eligibility workforce plays an essential role in helping individuals and families obtain and retain Medi-Cal coverage and CalFresh benefits. Counties face a substantial increase in workload as a result of the new Medi-Cal community engagement requirements, more frequent Medi-Cal redeterminations, and reinstated and expanded CalFresh work requirements. The county eligibility request reflects the increased funding that will be needed for counties to implement the new eligibility requirements and maximize the number of people who can obtain exemptions or meet the work requirements to keep their health care and nutrition assistance. It also includes two budget neutral CalFresh items: (1) provide a temporary match waiver allowing counties to draw down full federal funding; and (2) hold counties harmless for penalties occurring outside of county control which are exacerbated by H.R. 1.

**County Behavioral Health – \$224 million in 2026-27 and \$828 million in 2027-28, ongoing**

In addition to Medi-Cal specialty mental health services and substance use disorder services, counties provide behavioral health coverage to other individuals. Demand for these services is likely to increase as individuals lose eligibility for Medi-Cal. This budget request will support counties in providing services to this population.

The county H.R. 1 multi-year budget request is intended to mitigate direct harm to Contra Costa County residents who will lose health and nutrition services, as well as prevent cuts to other critical services that counties provide such as public safety and elections. This request comprehensively addresses the wide-ranging impacts to county health and human services programs. With this funding, counties will be able to maximize the number of individuals who retain Medi-Cal and CalFresh, rebuild county indigent care programs to serve individuals who lose health coverage, and protect needed patient care in public hospitals.

Addressing the health care and nutrition assistance needs of individuals impacted by the H.R. 1 changes to Medi-Cal and CalFresh will be a fundamental, structural element of the state's budget in 2026-27 and for years to come. We have attached information that details this multi-year budget request. Contra Costa County is eager to partner with your Administration and the Legislature to find workable fiscal and policy solutions to protect our County's residents. Thank you for your consideration of this critical request. Your leadership in response to these harmful changes is essential to preserving food security, health care, and other core service for communities throughout the state.

Sincerely,



DIANE BURGIS

Chair, Board of Supervisors

cc: Honorable Members, Contra Costa County Board of Supervisors  
Monica Nino, County Administrator  
Dr. Grant Colfax, Director of Contra Costa County Health Services  
Dr. Marla Stuart, Director of Employment and Human Services  
Michelle Rubalcava & Geoff Neill, Nielsen Merksamer

encl: County H.R. 1 Budget Request Summary  
County H.R. 1 Budget Request Analysis



# Total H.R. 1 County Multi-Year Budget Request

H.R. 1 represents a fundamental shift of fiscal responsibility for safety net programs from the federal government to states and counties.

The table below outlines California Counties' Multi-Year Budget Request for the 2026-27 and 2027-28 fiscal years.

	2026-27	2027-28
<b>Indigent Care *</b>	\$761 million	\$2.4 billion
Funds state mandated, subsistence level care assuming 33% percent of those losing Medi-Cal coverage due to work requirements seek this care and are eligible for services.		
<b>Public Hospital Systems</b>	\$500 million	\$850 million
Begins stabilizing public hospital system revenues and protecting patient care.		
<b>County Eligibility</b>	\$373 million	\$402 million
Funds implementation of new eligibility requirements for Medi-Cal and CalFresh and robust screening and supports to maximize the number of individuals who can retain coverage and assistance.		
<b>County Behavioral Health</b>	\$224 million	\$828 million
Funds behavioral health services for individuals who will lose Medi-Cal coverage and seek services from counties.		
<b>TOTAL</b>	<b>\$1.9 billion</b>	<b>\$4.5 billion</b>

*\* Note that the indigent care request includes \$200 million in 2026-27 in one-time infrastructure building funds, to be available for expenditure over three years, and \$50 million in each year for increased county public health costs to provide services to those who lose health care coverage.*

## Key Facts

- This request assumes that county indigent care programs serve 33% of the people who lose Medi-Cal coverage due to community engagement requirements.
- Counties would provide indigent care services to approximately 417,000 people.
- Roughly 880,000 people who lose state Medi-Cal coverage due to work requirements would likely have no health care coverage.



Healthcare



Food



# California Counties' H.R. 1 Multi-Year Budget Request

In order to ensure that individuals and families continue to have access to medical care and nutrition benefits, the state budget must provide a significant, multi-year investment to counties to prevent critical harm from occurring in California's communities.

- In February 2026, county partners collectively released an [H.R. 1 Fact Sheet](#) detailing a range of \$6 billion to \$9.5 billion annual fiscal impact at full implementation to counties. This fact sheet provides a range of costs due to the uncertainty related to the actual number of Californians who will go to counties for services they would have otherwise received from the state.
- Since the fact sheet's release, county partners have worked to educate legislators, the administration and the public on the essential work counties will be required to perform on behalf of the state to meet the needs of California communities as they begin to implement H.R. 1.
- Providing resources to mitigate the detrimental impacts of H.R. 1 is a structural part of the state's budget and one of the overarching issues that must be addressed this budget year and the years moving forward.
- Counties are not able to address these impacts on our own and a true partnership over a multi-year period with the state is needed in order to prevent our safety net from crumbling.
- California counties request \$1.9 billion in 2026-27 and \$4.5 billion in 2027-28 to address the impacts of H.R. 1. See the additional coalition document for a more detailed description and analysis of the budget resources needed for counties to continue serving our communities.



Healthcare



Food



# County Approach to H.R. 1 Implementation and Funding Needs

H.R. 1 will result in a large number of people seeking indigent medical care from counties and substantial financial impacts to counties due to changes to Medi-Cal financing, increased county workload, and cost shifts. Since the passage of H.R. 1, the California State Association of Counties and affiliated organizations – County Health Executives Association of California (CHEAC), County Medical Services Program (CMSP), California Association of Public Hospitals & Health Systems (CAPH), County Welfare Directors Association (CWDA), County Behavioral Health Directors Association (CBHDA), Urban Counties of California (UCC), and Rural County Representatives of California (RCRC) – have worked to analyze the programmatic impacts, quantify the costs likely to be imposed by H.R. 1 and to develop a responsible multi-year budget request to implement the various requirements of H.R. 1.

In January, counties released a **county coalition document** that outlines our advocacy principles in response to H.R. 1. These include:

- **Maintain Coverage and Benefits** - Counties support efforts to maximize the ability to keep people enrolled in state and federal safety net programs using systems with existing and proven competencies like the county eligibility workforce.
- **Fund New Requirements** - Counties support ongoing and stable revenues for any new or expanded administrative requirements and service responsibilities and to address federal funding cuts.
- **Keep Existing Commitments** - Counties oppose reduced funding for existing county programs and responsibilities, unfunded expansions of existing mandates, or new unfunded mandates.



Healthcare



Food



- **Increase Efficiency** - Counties support streamlining efforts that can create program coordination, improve accuracy, and support county staff in managing increased workload.
- **Provide Relief and Reduce Burdens** - Counties support appropriate relief from existing mandates where possible and reducing state-level requirements that add costly administrative burdens.

## H.R. 1 and the State Budget

Funding for health and human services programs such as Medi-Cal and CalFresh is second only to K-14 Education/Proposition 98 funding as a share of the state budget and exceeds Proposition 98 when factoring in federal funds. Addressing the impacts on Medi-Cal, including providing care to those who may lose coverage, as well as CalFresh, will be a fundamental, structural element of the development of the 2026-27 state budget. The following information provides a more detailed description and analysis of county costs and the services that will be provided with this funding.

	2026-27	2027-28
<b>Indigent Care *</b>	\$761 million	\$2.4 billion
<b>Public Hospital Systems</b>	\$500 million	\$850 million
<b>County Eligibility</b>	\$373 million	\$402 million
<b>County Behavioral Health</b>	\$224 million	\$828 million
<b>TOTAL</b>	<b>\$1.9 billion</b>	<b>\$4.5 billion</b>

\* Note that the indigent care request includes \$200 million in 2026-27 in one-time infrastructure building funds, to be available for expenditure over three years, and \$50 million in each year for increased county public health costs to provide services to those who lose health care coverage.





# Analysis of County H.R. 1 Budget Request for Community Health and Nutrition Services for the 2026-27 and 2027-28 Fiscal Years

The requirements of H.R. 1 will have a generational impact on the relationship between the state and California counties. Fundamentally, this law shifts the delivery and cost of providing healthcare and nutrition services from the federal government to the state and counties. Therefore, addressing the health care and nutrition assistance needs of individuals impacted by the H.R. 1 changes to Medi-Cal and CalFresh will be a fundamental, structural element of the state's budget in 2026-27 and moving forward.

Counties analyzed the programmatic impacts of H.R. 1 on county administered state programs—such as Medi-Cal and CalFresh—as well as the downstream effects on other county services and subsequently estimated the associated costs of these changes.

In developing cost estimates, counties relied on estimates from the state regarding the number of people who will be subject to new H.R. 1 policies, such as new Medi-Cal community engagement requirements and reinstated CalFresh work requirements. Counties also relied on estimates from the Department of Health Care Services (DHCS) regarding the number of people who are anticipated to lose Medi-Cal coverage.

## County Indigent Care Programs



**Background:** Historically, counties provided indigent care to low-income Californians who had no other source of health care. Those county indigent care programs are only required to provide basic, subsistence-level health care, not comprehensive health insurance. Providing such care is mandated by the state, pursuant to Welfare and Institutions Code Section 17000. To fund those state-mandated services, counties were provided 1991 Realignment funding.

**Total Budget Request: \$761 million in 2026-27 and \$2.4 billion in 2027-28 and ongoing (\$200 million of 2026-27 amount is one-time)**

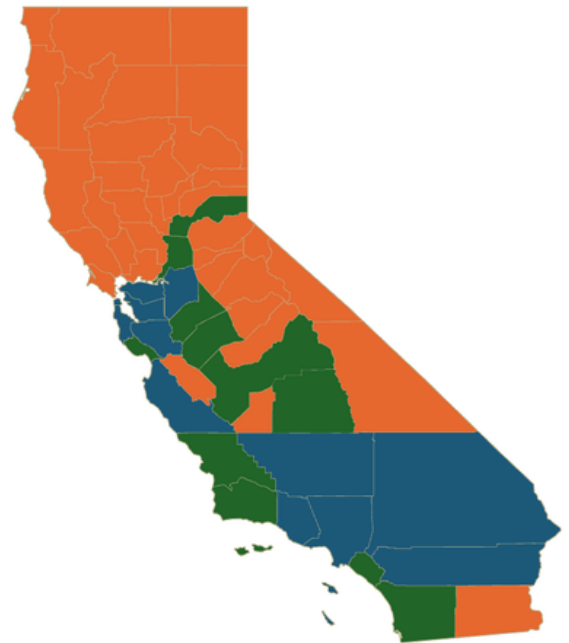


After the implementation of the Affordable Care Act (ACA) which expanded coverage through Medi-Cal and Covered California, county indigent care programs were dramatically scaled down. The state began annually redirecting 1991 Health Realignment funding that had historically supported indigent care—through AB 85 (Chapter 24, Statutes of 2013)—to other purposes. The state also reduced the rate of growth for 1991 Realignment revenues deposited into the health subaccount, further diminishing the funding available to counties for indigent care and public health.

Counties are not obligated to provide services to individuals who are undocumented and behavioral health services are not included in the indigent care mandate. The eligibility requirements, cost sharing requirements, and benefit levels varied considerably between counties.

Counties provide indigent care programs using three models:

- **County Medical Services Program (CMSP)** – 35 rural and semi-rural counties collectively contract with clinics and hospitals to provide indigent care.
- **Article 13 Counties** - 11 counties provide indigent care either directly, through contracted providers, or through hybrid models.
- **Public Hospital System Counties** – 12 counties use their public hospital systems to either exclusively or significantly provide indigent care.



***Details of County Budget Request to Operate Indigent Care Programs***

Counties previously **estimated the overall anticipated costs** to provide services across a range of estimated demand for services.



To construct a responsible and realistic request for state funding to operate county indigent care programs, given the impacts of H.R. 1, counties made a number of key assumptions.

- Section 17000 requirements do not require counties to provide coverage for undocumented individuals. Counties focused on the population of individuals who are projected by DHCS to lose Medi-Cal coverage due to community engagement requirements, adjusted to only reflect the share of that population with satisfactory immigration status.
- Counties assumed that 33% of those who lose Medi-Cal coverage will seek care and be eligible for services from county indigent care programs. Counties assumed that the enrollment rate would be at the low end of estimated enrollment scenarios, because of the limited set of services provided, eligibility requirements of county programs, cost sharing requirements used by many counties, and county efforts to assist those seeking indigent care with reenrolling in Medi-Cal, if they are eligible.
- Counties estimated per person per month costs based on a combination of historic per member costs for pre-ACA indigent care programs (trended forward to reflect inflation in costs) and current health care costs for the kinds of services that are typically provided by indigent care programs. For CMSP counties, the estimated per person per month cost is \$551, for Article 13 counties it is \$331 per person per month, and for public hospital system counties it is \$421 per person per month.
- Counties will need to rebuild the infrastructure to operate indigent care programs. This funding will be used to establish core systems and capabilities across the twenty-three non-CMSP counties, including clinical infrastructure, information technology systems, fiscal, legal, and administrative infrastructure, and workforce and operational support. These funds will also support the development of systems and processes within indigent care programs to collect the documentation needed to support the state and county eligibility workforce in making medical frailty and disability determinations required to exempt people from Medi-Cal community engagement requirements, allowing some people to return to full-scope Medi-Cal coverage.





- Because Medi-Cal community engagement requirements begin in January 2027 and individuals will be subject to community engagement requirements upon their annual (and then six-month) redetermination date, counties assume that individuals who will seek services from indigent care programs will begin doing so in the last quarter of the 2026-27 budget year.
- Note that this estimate assumes that 67% of individuals with satisfactory immigration status who lose Medi-Cal eligibility due to work requirements (about 880,000 individuals) and all undocumented individuals who lose Medi-Cal coverage will likely no longer have a source of health care coverage.

### ***County Indigent Care Programs Multi-Year Budget Request***

- Infrastructure Building – ***\$200 million in 2026-27***, to be used over three years.
- Direct Medical Services and Administration
  - ***\$561 million in 2026-27*** to support the delivery of direct medical services to newly eligible medically indigent adults and associated administrative support in the 23 non-CMSP counties. (This includes \$50 million per year in 2026-27 and ongoing for increased county public health costs to provide services to those who lose health care coverage.)
  - ***\$2.4 billion in 2027-28 and ongoing*** to provide medical services in all 58 counties.





## Public Hospital System Financing



**Background:** For decades, California's public hospital systems have been required to fund the non-federal share of inpatient Fee-For-Service Medi-Cal costs without receiving State General Fund support for those expenditures. Since Medi-Cal managed care base rates do not cover the cost of providing care, public hospital systems have relied on federal supplemental payments, including state directed payments, to supplement base rates. H.R. 1 targets these payments, which will reduce public hospital system revenue by \$2.3 billion annually once H.R. 1 is fully implemented.

**Total Budget Request: \$500 million in 2026-27 and \$850 million in 2027-28 and ongoing**

### **Details of Anticipated Fiscal Impacts to Public Hospital System**

H.R. 1 will increase fiscal pressures on California's public hospital systems by capping and reducing state directed payments, reducing the federal match for emergency care for childless adults with Unsatisfactory Immigration Status, and reducing the number of patients with Medi-Cal coverage. This will lead to an estimated reduction in federal funding of \$3.4 billion annually once H.R. 1 is fully implemented.

### **County Multi-Year Budget Request to Support the Operation of Public Hospital Systems**

In order to begin offsetting the impact of the coming reduction in SDPs, counties request **\$500 million in 2026-27 and \$850 million in 2027-28 and ongoing** to begin stabilizing public hospital system revenues and protecting patient care.



## County Eligibility Workforce



**Background:** The county eligibility workforce assists individuals and families with obtaining and retaining coverage and benefits, drawing down additional federal funds to do so. As the H.R. 1 Medi-Cal community engagement requirements are implemented and counties are required to reinstate CalFresh work requirements, there will be new costs for the increased county eligibility work to assist eligible Medi-Cal and CalFresh enrollees in maintaining their enrollment.

**Total Budget Request: \$373 million in 2026-27 and \$402 million in 2027-28 and ongoing**

### **Details of Anticipated Fiscal Impacts to County Eligibility Workforce**

For Medi-Cal, there will be increased workload related to the new work and community engagement requirements for existing enrollees and new applicants who will be required to demonstrate compliance one month before enrollment, as well as a doubling of redeterminations. This includes properly identifying and certifying key exemptions, supporting enrollees engaged in qualifying activities, and connecting enrollees to employment, educational, and volunteer opportunities. DHCS estimates that up to 2.8 million enrollees (60%) will require some form of manual county-worker support and verification.

For CalFresh, there will be increased workload related to the changes to the reinstated and expanded work requirements. This includes robust screening to identify those who are exempt from work requirements, supporting recipients who are not exempt with overcoming documentation challenges, and connecting them with employment and training opportunities. CDSS estimates that nearly 1 million recipients will require some form of manual county worker support and verification. In addition, for CalFresh, the federal government is reducing its contribution to administration costs from 50 percent to 25 percent, resulting in an increase of the county share from 15 percent to 22.5 percent.

### **Methodology for Anticipated Cost Estimate for County Eligibility Workforce**

To construct a responsible and realistic request for state funding for county eligibility work for Medi-Cal and CalFresh, counties made the following assumptions to capture the workload necessary to support H.R. 1.



- **For Medi-Cal, an estimated additional 2,000 eligibility workers statewide will be required to accommodate the following additional hours of workload –**
  - Additional 3.5 hours per client, per year for robust exemption and compliance review for individuals who cannot be verified by automated data matches.
  - Additional 50 minutes per client for those initially deemed noncompliant for follow up to resolve documentation issues.
  - Additional 1.2 hours per client, per year for the more frequent six-month eligibility redeterminations.
- **For CalFresh, an estimated up to additional 400 – 500 eligibility workers statewide will be required to accommodate the following additional hours of workload –**
  - Additional 3.92 to 4.25 hours per client, per year to explore eligibility for exemptions or provide support in understanding needs to retain benefits.

**County Eligibility Workforce Multi-Year Budget Request**

To implement the eligibility requirements of H.R. 1, counties request **\$373 million in 2026-27 and \$402 million in 2027-28 and ongoing** to implement the increased eligibility requirements of H.R. 1. Likewise, we also request two budget neutral actions.

	2026-27	2027-28
<b>Medi-Cal Eligibility Workforce</b>	\$270 million	\$344 million
<b>CalFresh County Eligibility Workforce</b>	\$103 million	\$58 million
<b>Total</b>	<b>\$373 million</b>	<b>\$402 million</b>

- **CalFresh County Share of Cost Match Waiver** - Adopt a temporary CalFresh match waiver that maintains county contributions at 2024-25 levels, allowing counties to draw down the full amount of federal funds and state funds commensurate with what has already been budgeted.
- **CalFresh Penalties Hold Harmless** - Enact statutory changes to hold impacted counties harmless for any penalties for payment accuracy that result from circumstances outside of county control, which are exacerbated by H.R. 1.



# Analysis of County H.R. 1 Budget Request for Community Behavioral Health Services for the 2026-27 and 2027-28 Fiscal Years

## County Behavioral Health Programs



**Background:** Under current law, county behavioral health programs provide Medi-Cal specialty mental health services and substance use disorder services, largely using Realignment funding. Counties also provide behavioral health services to other individuals using other fund sources such as from the Behavioral Health Services Act. Under 1991 Realignment, county behavioral health programs are required to provide services to those not enrolled in Medi-Cal, to the extent that resources are available. As people lose eligibility for Medi-Cal, some of those individuals may seek care for their behavioral health needs from counties. To the extent that resources are available, counties would provide services to that population.

**Total Budget Request: \$224 million in 2026-27 and \$828 million in 2027-28 and ongoing**

### **Details and Methodology of Anticipated Fiscal Impacts to County Behavioral Health Programs**

As people lose Medi-Cal eligibility due to the changes in H.R. 1, there will be increased demand for behavioral health services. Because county indigent care programs are not required to and historically did not provide behavioral health services, people who need services may turn to county behavioral health programs.

To estimate the demand for services, counties relied on estimates from DHCS of the number of people who are projected to lose Medi-Cal coverage due to community engagement requirements, the change to six-monthly eligibility redeterminations, and the elimination of full scope Medi-Cal benefits for certain migrant populations. Counties used the current penetration rate for Medi-Cal behavioral health services (the share of the Medi-Cal enrolled population that currently receives these services) to estimate the number of people likely to seek services and a range of costs per enrollee of \$6,300 per year to \$21,000 per year, to reflect the possible utilization of services.





To construct a responsible and realistic request for state funding to provide behavioral health services to those who lose Medi-Cal eligibility, counties made a number of key assumptions:

- Counties relied on estimates from the Department of Health Care Services of the number of people who are projected to lose Medi-Cal coverage due to community engagement requirements, the change to six-monthly eligibility redeterminations, and the elimination of full scope Medi-Cal benefits for certain migrant populations.
- To determine how many of those people may seek services for behavioral health needs, counties used the current penetration rate for Medi-Cal behavioral health services (the share of the Medi-Cal enrolled population that currently receives these services) to estimate the number of people likely to seek services. This equates to about 27,000 people seeking services in 2026-27 and 89,000 individuals seeking services in 2027-28.
- Counties assumed that the statewide average cost to provide services will be about \$10,000 per enrollee per year, which is a mid-range estimate of the current cost to provide behavioral health services.

### ***County Behavioral Health Multi-Year Budget Request***

Based on these assumptions, counties anticipate that up to 89,000 people will seek services. To provide services to those who lose Medi-Cal coverage and seek services, Counties request ***\$224 million in 2026-27 and \$828 million in 2027-28 and ongoing***



# The Board of Supervisors

County Administration Building  
1025 Escobar St., 4<sup>th</sup> floor  
Martinez, California 94553

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**Shanelle Scales-Preston**, 5<sup>th</sup> District

# Contra Costa County



**Monica Nino**  
Clerk of the Board  
and  
County Administrator  
(925) 655-2075

March 30, 2026

The Honorable Monique Limon  
Senate President Pro Tempore  
1021 O Street, Suite 8518  
Sacramento CA, 95814

The Honorable John Laird  
Chair, Senate Committee on Budget and Fiscal  
Review  
1021 O Street, Suite 8720  
Sacramento CA, 95814

The Honorable Roger Niello  
Vice Chair, Senate Committee on Budget and Fiscal  
Review  
1021 O Street, Suite 7110  
Sacramento CA, 95814

## **RE: County H.R. 1 Budget Request**

Dear President Pro Tempore Limón, Senator Laird, and Senator Niello:

On behalf of the Contra Costa County Board of Supervisors, I write to express our commitment to working with the Legislature to protect our safety net from the impacts of H.R. 1. This law fundamentally shifts fiscal responsibility for health and human services programs from the federal government to states and counties. To protect the people in our community and across the state who rely upon county safety net services to meet their basic needs, we must take action in partnership with the state. We stand together with county partners including California State Association of Counties (CSAC), Urban Counties of California (UCC), the California Welfare Directors Association (CWDA), California Public Hospital Association (CAPH), and others to share a multi-year countywide H.R. 1 budget request.

H.R. 1 will increase county health and human services program costs due to expanded demand for indigent medical care, direct cost shifts to counties, increased county eligibility workload, and changes to Medi-Cal financing. Contra Costa County anticipates that the impact of these changes could result in statewide county costs ranging from \$6.0 billion to \$9.5 billion annually at full implementation. Counties have collectively developed a reasonable multi-year request for state funding of \$1.9 billion in 2026-27 and \$4.5 billion in 2027-28 to address these impacts. This request is outlined below and further detailed in the coalition H.R. 1 County Budget Multi-Year Request attachments.

### **County Indigent Care – \$761 million in 2026-27 and \$2.4 billion in 2027-28, ongoing**

Counties are mandated to provide indigent care to low-income Californians who have no other source of health care. When the Affordable Care Act was implemented and demand for indigent care dramatically reduced, the Realignment funding provided to counties to meet this mandate

was redirected by the state to other purposes. With more than one million people estimated to lose Medi-Cal coverage, California residents will come to counties for these services. Currently, counties do not have a funding source to provide this care on behalf of the state. Counties need funding from the state to provide state-mandated basic health care to roughly 417,000 people, or about one-third of the individuals who are estimated to lose coverage through the new community engagement requirements, seek this care, and be eligible for these services. The indigent care funding request also includes \$200 million in one-time funding in 2026-27 to rebuild the infrastructure that will be needed to provide this care and \$50 million in ongoing funding for public health programs to provide services to individuals who lose health care coverage.

**Public Hospital Systems – \$500 million in 2026-27 and \$850 million in 2027-28, ongoing**

County public hospital systems rely on a funding mechanism known as state-directed payments to cover the non-federal share of costs for providing inpatient Medi-Cal services. H.R. 1 reduces the ability of states to use these payments, which will significantly reduce public hospital system revenues. Counties request funding to begin stabilizing public hospital system revenues and protect patient care.

**County Eligibility – \$373 million in 2026-27 and \$402 million in 2027-28, ongoing**

The county eligibility workforce plays an essential role in helping individuals and families obtain and retain Medi-Cal coverage and CalFresh benefits. Counties face a substantial increase in workload as a result of the new Medi-Cal community engagement requirements, more frequent Medi-Cal redeterminations, and reinstated and expanded CalFresh work requirements. The county eligibility request reflects the increased funding that will be needed for counties to implement the new eligibility requirements and maximize the number of people who can obtain exemptions or meet the work requirements to keep their health care and nutrition assistance. It also includes two budget neutral CalFresh items: (1) provide a temporary match waiver allowing counties to draw down full federal funding; and (2) hold counties harmless for penalties occurring outside of county control which are exacerbated by H.R. 1.

**County Behavioral Health – \$224 million in 2026-27 and \$828 million in 2027-28, ongoing**

In addition to Medi-Cal specialty mental health services and substance use disorder services, counties provide behavioral health coverage to other individuals. Demand for these services is likely to increase as individuals lose eligibility for Medi-Cal. This budget request will support counties in providing services to this population.

The county H.R. 1 multi-year budget request is intended to mitigate direct harm to Contra Costa County residents who will lose health and nutrition services, as well as prevent cuts to other critical services that counties provide such as public safety and elections. This request comprehensively addresses the wide-ranging impacts to county health and human services programs. With this funding, counties will be able to maximize the number of individuals who retain Medi-Cal and CalFresh, rebuild county indigent care programs to serve individuals who lose health coverage, and protect needed patient care in public hospitals.

Addressing the health care and nutrition assistance needs of individuals impacted by the H.R. 1 changes to Medi-Cal and CalFresh will be a fundamental, structural element of the state's budget in 2026-27 and for years to come. We have attached information that details this multi-year budget request. Contra Costa County is eager to partner with the Legislature and the Administration to

find workable fiscal and policy solutions to protect our County's residents. Thank you for your consideration of this critical request, which is essential to preserving safety net services for food security and health care for vulnerable members of our community.

Sincerely,



DIANE BURGIS

Chair, Board of Supervisors

cc: Honorable Members, Senate Committee on Budget and Fiscal Review  
Honorable Senator Jesse Arreguín  
Honorable Senator Chris Cabaldon  
Honorable Senator Tim Grayson  
Honorable Members, Contra Costa County Board of Supervisors  
Monica Nino, County Administrator  
Michelle Rubalcava & Geoff Neill, Nielsen Merksamer

encl: County H.R. 1 Budget Request Summary  
County H.R. 1 Budget Request Analysis



# Total H.R. 1 County Multi-Year Budget Request

H.R. 1 represents a fundamental shift of fiscal responsibility for safety net programs from the federal government to states and counties.

The table below outlines California Counties' Multi-Year Budget Request for the 2026-27 and 2027-28 fiscal years.

	2026-27	2027-28
<b>Indigent Care *</b>	\$761 million	\$2.4 billion
Funds state mandated, subsistence level care assuming 33% percent of those losing Medi-Cal coverage due to work requirements seek this care and are eligible for services.		
<b>Public Hospital Systems</b>	\$500 million	\$850 million
Begins stabilizing public hospital system revenues and protecting patient care.		
<b>County Eligibility</b>	\$373 million	\$402 million
Funds implementation of new eligibility requirements for Medi-Cal and CalFresh and robust screening and supports to maximize the number of individuals who can retain coverage and assistance.		
<b>County Behavioral Health</b>	\$224 million	\$828 million
Funds behavioral health services for individuals who will lose Medi-Cal coverage and seek services from counties.		
<b>TOTAL</b>	<b>\$1.9 billion</b>	<b>\$4.5 billion</b>

\* Note that the indigent care request includes \$200 million in 2026-27 in one-time infrastructure building funds, to be available for expenditure over three years, and \$50 million in each year for increased county public health costs to provide services to those who lose health care coverage.

## Key Facts

- This request assumes that county indigent care programs serve 33% of the people who lose Medi-Cal coverage due to community engagement requirements.
- Counties would provide indigent care services to approximately 417,000 people.
- Roughly 880,000 people who lose state Medi-Cal coverage due to work requirements would likely have no health care coverage.



Healthcare



Food



# California Counties' H.R. 1 Multi-Year Budget Request

In order to ensure that individuals and families continue to have access to medical care and nutrition benefits, the state budget must provide a significant, multi-year investment to counties to prevent critical harm from occurring in California's communities.

- In February 2026, county partners collectively released an [H.R. 1 Fact Sheet](#) detailing a range of \$6 billion to \$9.5 billion annual fiscal impact at full implementation to counties. This fact sheet provides a range of costs due to the uncertainty related to the actual number of Californians who will go to counties for services they would have otherwise received from the state.
- Since the fact sheet's release, county partners have worked to educate legislators, the administration and the public on the essential work counties will be required to perform on behalf of the state to meet the needs of California communities as they begin to implement H.R. 1.
- Providing resources to mitigate the detrimental impacts of H.R. 1 is a structural part of the state's budget and one of the overarching issues that must be addressed this budget year and the years moving forward.
- Counties are not able to address these impacts on our own and a true partnership over a multi-year period with the state is needed in order to prevent our safety net from crumbling.
- California counties request \$1.9 billion in 2026-27 and \$4.5 billion in 2027-28 to address the impacts of H.R. 1. See the additional coalition document for a more detailed description and analysis of the budget resources needed for counties to continue serving our communities.



Healthcare



Food



# County Approach to H.R. 1 Implementation and Funding Needs

H.R. 1 will result in a large number of people seeking indigent medical care from counties and substantial financial impacts to counties due to changes to Medi-Cal financing, increased county workload, and cost shifts. Since the passage of H.R. 1, the California State Association of Counties and affiliated organizations – County Health Executives Association of California (CHEAC), County Medical Services Program (CMSP), California Association of Public Hospitals & Health Systems (CAPH), County Welfare Directors Association (CWDA), County Behavioral Health Directors Association (CBHDA), Urban Counties of California (UCC), and Rural County Representatives of California (RCRC) – have worked to analyze the programmatic impacts, quantify the costs likely to be imposed by H.R. 1 and to develop a responsible multi-year budget request to implement the various requirements of H.R. 1.

In January, counties released a **county coalition document** that outlines our advocacy principles in response to H.R. 1. These include:

- ***Maintain Coverage and Benefits*** - Counties support efforts to maximize the ability to keep people enrolled in state and federal safety net programs using systems with existing and proven competencies like the county eligibility workforce.
- ***Fund New Requirements*** - Counties support ongoing and stable revenues for any new or expanded administrative requirements and service responsibilities and to address federal funding cuts.
- ***Keep Existing Commitments*** - Counties oppose reduced funding for existing county programs and responsibilities, unfunded expansions of existing mandates, or new unfunded mandates.



Healthcare



Food



- **Increase Efficiency** - Counties support streamlining efforts that can create program coordination, improve accuracy, and support county staff in managing increased workload.
- **Provide Relief and Reduce Burdens** - Counties support appropriate relief from existing mandates where possible and reducing state-level requirements that add costly administrative burdens.

## H.R. 1 and the State Budget

Funding for health and human services programs such as Medi-Cal and CalFresh is second only to K-14 Education/Proposition 98 funding as a share of the state budget and exceeds Proposition 98 when factoring in federal funds. Addressing the impacts on Medi-Cal, including providing care to those who may lose coverage, as well as CalFresh, will be a fundamental, structural element of the development of the 2026-27 state budget. The following information provides a more detailed description and analysis of county costs and the services that will be provided with this funding.

	2026-27	2027-28
<b>Indigent Care *</b>	\$761 million	\$2.4 billion
<b>Public Hospital Systems</b>	\$500 million	\$850 million
<b>County Eligibility</b>	\$373 million	\$402 million
<b>County Behavioral Health</b>	\$224 million	\$828 million
<b>TOTAL</b>	<b>\$1.9 billion</b>	<b>\$4.5 billion</b>

\* Note that the indigent care request includes \$200 million in 2026-27 in one-time infrastructure building funds, to be available for expenditure over three years, and \$50 million in each year for increased county public health costs to provide services to those who lose health care coverage.





# Analysis of County H.R. 1 Budget Request for Community Health and Nutrition Services for the 2026-27 and 2027-28 Fiscal Years

The requirements of H.R. 1 will have a generational impact on the relationship between the state and California counties. Fundamentally, this law shifts the delivery and cost of providing healthcare and nutrition services from the federal government to the state and counties. Therefore, addressing the health care and nutrition assistance needs of individuals impacted by the H.R. 1 changes to Medi-Cal and CalFresh will be a fundamental, structural element of the state's budget in 2026-27 and moving forward.

Counties analyzed the programmatic impacts of H.R. 1 on county administered state programs—such as Medi-Cal and CalFresh—as well as the downstream effects on other county services and subsequently estimated the associated costs of these changes.

In developing cost estimates, counties relied on estimates from the state regarding the number of people who will be subject to new H.R. 1 policies, such as new Medi-Cal community engagement requirements and reinstated CalFresh work requirements. Counties also relied on estimates from the Department of Health Care Services (DHCS) regarding the number of people who are anticipated to lose Medi-Cal coverage.

## County Indigent Care Programs



**Background:** Historically, counties provided indigent care to low-income Californians who had no other source of health care. Those county indigent care programs are only required to provide basic, subsistence-level health care, not comprehensive health insurance. Providing such care is mandated by the state, pursuant to Welfare and Institutions Code Section 17000. To fund those state-mandated services, counties were provided 1991 Realignment funding.

**Total Budget Request: \$761 million in 2026-27 and \$2.4 billion in 2027-28 and ongoing (\$200 million of 2026-27 amount is one-time)**

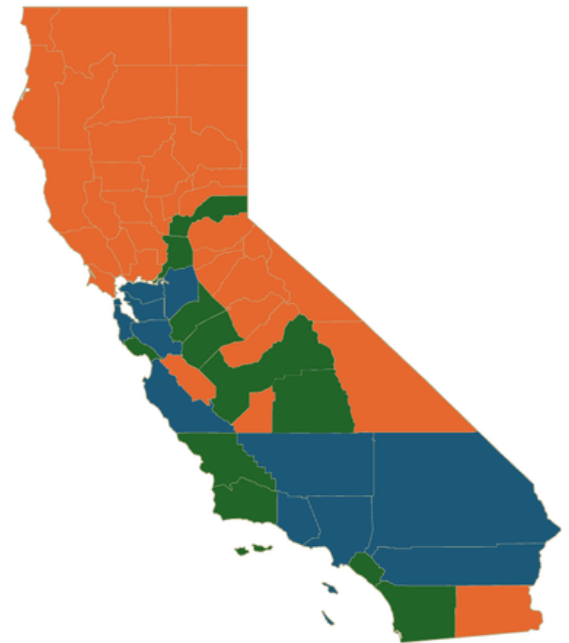


After the implementation of the Affordable Care Act (ACA) which expanded coverage through Medi-Cal and Covered California, county indigent care programs were dramatically scaled down. The state began annually redirecting 1991 Health Realignment funding that had historically supported indigent care—through AB 85 (Chapter 24, Statutes of 2013)—to other purposes. The state also reduced the rate of growth for 1991 Realignment revenues deposited into the health subaccount, further diminishing the funding available to counties for indigent care and public health.

Counties are not obligated to provide services to individuals who are undocumented and behavioral health services are not included in the indigent care mandate. The eligibility requirements, cost sharing requirements, and benefit levels varied considerably between counties.

Counties provide indigent care programs using three models:

- **County Medical Services Program (CMSP)** - 35 rural and semi-rural counties collectively contract with clinics and hospitals to provide indigent care.
- **Article 13 Counties** - 11 counties provide indigent care either directly, through contracted providers, or through hybrid models.
- **Public Hospital System Counties** - 12 counties use their public hospital systems to either exclusively or significantly provide indigent care.



***Details of County Budget Request to Operate Indigent Care Programs***

Counties previously estimated the overall anticipated costs to provide services across a range of estimated demand for services.



To construct a responsible and realistic request for state funding to operate county indigent care programs, given the impacts of H.R. 1, counties made a number of key assumptions.

- Section 17000 requirements do not require counties to provide coverage for undocumented individuals. Counties focused on the population of individuals who are projected by DHCS to lose Medi-Cal coverage due to community engagement requirements, adjusted to only reflect the share of that population with satisfactory immigration status.
- Counties assumed that 33% of those who lose Medi-Cal coverage will seek care and be eligible for services from county indigent care programs. Counties assumed that the enrollment rate would be at the low end of estimated enrollment scenarios, because of the limited set of services provided, eligibility requirements of county programs, cost sharing requirements used by many counties, and county efforts to assist those seeking indigent care with reenrolling in Medi-Cal, if they are eligible.
- Counties estimated per person per month costs based on a combination of historic per member costs for pre-ACA indigent care programs (trended forward to reflect inflation in costs) and current health care costs for the kinds of services that are typically provided by indigent care programs. For CMSP counties, the estimated per person per month cost is \$551, for Article 13 counties it is \$331 per person per month, and for public hospital system counties it is \$421 per person per month.
- Counties will need to rebuild the infrastructure to operate indigent care programs. This funding will be used to establish core systems and capabilities across the twenty-three non-CMSP counties, including clinical infrastructure, information technology systems, fiscal, legal, and administrative infrastructure, and workforce and operational support. These funds will also support the development of systems and processes within indigent care programs to collect the documentation needed to support the state and county eligibility workforce in making medical frailty and disability determinations required to exempt people from Medi-Cal community engagement requirements, allowing some people to return to full-scope Medi-Cal coverage.





- Because Medi-Cal community engagement requirements begin in January 2027 and individuals will be subject to community engagement requirements upon their annual (and then six-month) redetermination date, counties assume that individuals who will seek services from indigent care programs will begin doing so in the last quarter of the 2026-27 budget year.
- Note that this estimate assumes that 67% of individuals with satisfactory immigration status who lose Medi-Cal eligibility due to work requirements (about 880,000 individuals) and all undocumented individuals who lose Medi-Cal coverage will likely no longer have a source of health care coverage.

### ***County Indigent Care Programs Multi-Year Budget Request***

- Infrastructure Building – ***\$200 million in 2026-27***, to be used over three years.
- Direct Medical Services and Administration
  - ***\$561 million in 2026-27*** to support the delivery of direct medical services to newly eligible medically indigent adults and associated administrative support in the 23 non-CMSP counties. (This includes \$50 million per year in 2026-27 and ongoing for increased county public health costs to provide services to those who lose health care coverage.)
  - ***\$2.4 billion in 2027-28 and ongoing*** to provide medical services in all 58 counties.





## Public Hospital System Financing



**Background:** For decades, California's public hospital systems have been required to fund the non-federal share of inpatient Fee-For-Service Medi-Cal costs without receiving State General Fund support for those expenditures. Since Medi-Cal managed care base rates do not cover the cost of providing care, public hospital systems have relied on federal supplemental payments, including state directed payments, to supplement base rates. H.R. 1 targets these payments, which will reduce public hospital system revenue by \$2.3 billion annually once H.R. 1 is fully implemented.

**Total Budget Request: \$500 million in 2026-27 and \$850 million in 2027-28 and ongoing**

### **Details of Anticipated Fiscal Impacts to Public Hospital System**

H.R. 1 will increase fiscal pressures on California's public hospital systems by capping and reducing state directed payments, reducing the federal match for emergency care for childless adults with Unsatisfactory Immigration Status, and reducing the number of patients with Medi-Cal coverage. This will lead to an estimated reduction in federal funding of \$3.4 billion annually once H.R. 1 is fully implemented.

### **County Multi-Year Budget Request to Support the Operation of Public Hospital Systems**

In order to begin offsetting the impact of the coming reduction in SDPs, counties request **\$500 million in 2026-27 and \$850 million in 2027-28 and ongoing** to begin stabilizing public hospital system revenues and protecting patient care.



## County Eligibility Workforce



**Background:** The county eligibility workforce assists individuals and families with obtaining and retaining coverage and benefits, drawing down additional federal funds to do so. As the H.R. 1 Medi-Cal community engagement requirements are implemented and counties are required to reinstate CalFresh work requirements, there will be new costs for the increased county eligibility work to assist eligible Medi-Cal and CalFresh enrollees in maintaining their enrollment.

**Total Budget Request: \$373 million in 2026-27 and \$402 million in 2027-28 and ongoing**

### **Details of Anticipated Fiscal Impacts to County Eligibility Workforce**

For Medi-Cal, there will be increased workload related to the new work and community engagement requirements for existing enrollees and new applicants who will be required to demonstrate compliance one month before enrollment, as well as a doubling of redeterminations. This includes properly identifying and certifying key exemptions, supporting enrollees engaged in qualifying activities, and connecting enrollees to employment, educational, and volunteer opportunities. DHCS estimates that up to 2.8 million enrollees (60%) will require some form of manual county-worker support and verification.

For CalFresh, there will be increased workload related to the changes to the reinstated and expanded work requirements. This includes robust screening to identify those who are exempt from work requirements, supporting recipients who are not exempt with overcoming documentation challenges, and connecting them with employment and training opportunities. CDSS estimates that nearly 1 million recipients will require some form of manual county worker support and verification. In addition, for CalFresh, the federal government is reducing its contribution to administration costs from 50 percent to 25 percent, resulting in an increase of the county share from 15 percent to 22.5 percent.

### **Methodology for Anticipated Cost Estimate for County Eligibility Workforce**

To construct a responsible and realistic request for state funding for county eligibility work for Medi-Cal and CalFresh, counties made the following assumptions to capture the workload necessary to support H.R. 1.



- **For Medi-Cal, an estimated additional 2,000 eligibility workers statewide will be required to accommodate the following additional hours of workload –**
  - Additional 3.5 hours per client, per year for robust exemption and compliance review for individuals who cannot be verified by automated data matches.
  - Additional 50 minutes per client for those initially deemed noncompliant for follow up to resolve documentation issues.
  - Additional 1.2 hours per client, per year for the more frequent six-month eligibility redeterminations.
- **For CalFresh, an estimated up to additional 400 – 500 eligibility workers statewide will be required to accommodate the following additional hours of workload –**
  - Additional 3.92 to 4.25 hours per client, per year to explore eligibility for exemptions or provide support in understanding needs to retain benefits.

**County Eligibility Workforce Multi-Year Budget Request**

To implement the eligibility requirements of H.R. 1, counties request **\$373 million in 2026-27 and \$402 million in 2027-28 and ongoing** to implement the increased eligibility requirements of H.R. 1. Likewise, we also request two budget neutral actions.

	2026-27	2027-28
<b>Medi-Cal Eligibility Workforce</b>	\$270 million	\$344 million
<b>CalFresh County Eligibility Workforce</b>	\$103 million	\$58 million
<b>Total</b>	<b>\$373 million</b>	<b>\$402 million</b>

- **CalFresh County Share of Cost Match Waiver** - Adopt a temporary CalFresh match waiver that maintains county contributions at 2024-25 levels, allowing counties to draw down the full amount of federal funds and state funds commensurate with what has already been budgeted.
- **CalFresh Penalties Hold Harmless** - Enact statutory changes to hold impacted counties harmless for any penalties for payment accuracy that result from circumstances outside of county control, which are exacerbated by H.R. 1.



# Analysis of County H.R. 1 Budget Request for Community Behavioral Health Services for the 2026-27 and 2027-28 Fiscal Years

## County Behavioral Health Programs



**Background:** Under current law, county behavioral health programs provide Medi-Cal specialty mental health services and substance use disorder services, largely using Realignment funding. Counties also provide behavioral health services to other individuals using other fund sources such as from the Behavioral Health Services Act. Under 1991 Realignment, county behavioral health programs are required to provide services to those not enrolled in Medi-Cal, to the extent that resources are available. As people lose eligibility for Medi-Cal, some of those individuals may seek care for their behavioral health needs from counties. To the extent that resources are available, counties would provide services to that population.

**Total Budget Request: \$224 million in 2026-27 and \$828 million in 2027-28 and ongoing**

### **Details and Methodology of Anticipated Fiscal Impacts to County Behavioral Health Programs**

As people lose Medi-Cal eligibility due to the changes in H.R. 1, there will be increased demand for behavioral health services. Because county indigent care programs are not required to and historically did not provide behavioral health services, people who need services may turn to county behavioral health programs.

To estimate the demand for services, counties relied on estimates from DHCS of the number of people who are projected to lose Medi-Cal coverage due to community engagement requirements, the change to six-monthly eligibility redeterminations, and the elimination of full scope Medi-Cal benefits for certain migrant populations. Counties used the current penetration rate for Medi-Cal behavioral health services (the share of the Medi-Cal enrolled population that currently receives these services) to estimate the number of people likely to seek services and a range of costs per enrollee of \$6,300 per year to \$21,000 per year, to reflect the possible utilization of services.





To construct a responsible and realistic request for state funding to provide behavioral health services to those who lose Medi-Cal eligibility, counties made a number of key assumptions:

- Counties relied on estimates from the Department of Health Care Services of the number of people who are projected to lose Medi-Cal coverage due to community engagement requirements, the change to six-monthly eligibility redeterminations, and the elimination of full scope Medi-Cal benefits for certain migrant populations.
- To determine how many of those people may seek services for behavioral health needs, counties used the current penetration rate for Medi-Cal behavioral health services (the share of the Medi-Cal enrolled population that currently receives these services) to estimate the number of people likely to seek services. This equates to about 27,000 people seeking services in 2026-27 and 89,000 individuals seeking services in 2027-28.
- Counties assumed that the statewide average cost to provide services will be about \$10,000 per enrollee per year, which is a mid-range estimate of the current cost to provide behavioral health services.

### ***County Behavioral Health Multi-Year Budget Request***

Based on these assumptions, counties anticipate that up to 89,000 people will seek services. To provide services to those who lose Medi-Cal coverage and seek services, Counties request ***\$224 million in 2026-27 and \$828 million in 2027-28 and ongoing***



# The Board of Supervisors

County Administration Building  
1025 Escobar Street, First Floor  
Martinez, California 94553-1293

**John Gioia**, 1st District  
**Candace Andersen**, 2nd District  
**Diane Burgis**, 3rd District  
**Ken Carlson**, 4th District  
**Shanelle Scales-Preston**, 5th District

# Contra Costa County



**Monica Nino**  
Clerk of the Board  
and  
County Administrator  
(925) 655-2075

April 1, 2026

Honorable Caroline Menjivar, Chair  
Senate Budget & Fiscal Review  
Subcommittee No. 3  
1021 O Street, Suite 6630  
Sacramento, CA 95814

Honorable Corey Jackson, Chair  
Assembly Budget Subcommittee No. 2  
1021 O Street, Room 8230  
Sacramento, CA 95814

## **RE: Budget Request: Child Welfare Services Emergency Response Stabilization Funding and Flexible Family Supports**

Dear Chairs Menjivar and Jackson:

As Chair of the Contra Costa County Board of Supervisors, I respectfully request your support to continue funding for the Child Welfare Emergency Response (ER) Enhancement Program in Fiscal Year 2026–27, as well as a two-year extension of the Flexible Family Supports funding currently set to expire on June 30, 2026.

Sustaining these investments is essential to stabilizing California’s child welfare workforce and strengthening the systems that protect children and prevent family crises. Continued funding will help maintain child safety, support stable family-based placements—especially with kin and kin-like caregivers—and preserve permanent family connections. These resources are particularly important as H.R. 1’s changes threaten to reduce critical food security and health care supports for families and increase the risk of child welfare involvement, and as the State and counties prepare for implementation of the new Tiered Rate Structure.

### **Emergency Response (ER) Stabilization Funding**

Emergency Response (ER) is the frontline of California’s child protection system. ER social workers investigate allegations of abuse and neglect, assess child safety, and intervene during family crises. While overall caseloads have decreased, the severity and complexity of cases have grown, requiring deeper engagement and stronger coordination across systems.

Recent one-time ER Enhancement funds have helped counties improve response timeliness, stabilize staffing, and strengthen early safety planning, Child and Family Team (CFT) engagement, diversion efforts, and kin-first practices that prevent unnecessary foster care placements. However, these funds will expire on June 30, 2026. Without at least one additional year of support, counties will face reduced response capacity, renewed workforce instability, and diminished prevention effectiveness—particularly as H.R. 1’s harmful changes to food and health programs take effect.

We respectfully request approval of \$20 million General Fund in FY 2026–27 to sustain ER stabilization efforts statewide. Continued funding will allow counties to maintain staffing that supports vulnerable

families, prevents foster care entry, connects families to community and county services that meet basic needs, and helps reduce disproportionate system involvement of families and children of color. To date, ER Enhancement Funds have significantly improved Contra Costa County's ability to meet federal and state requirements and achieve better outcomes for children, youth, and families. Specifically:

- Contra Costa used ER Enhancement funds to hire two additional Social Casework Assistants to support youth awaiting placement at our Receiving Centers. These assistants help ER Social Workers assess and prepare for initial relative placements. As a result, the Children and Family Services (CFS) bureau increased its relative placement rate by 4% from 2021 to 2024.
- CFS hired retired Supervisor annuitants to coach newly hired ER Supervisors and ER Social Workers and to assist with closing ER referrals. This contributed to a 7% reduction in referrals open longer than 30 days from FY 2021–22 to FY 2023–24.
- CFS offered 29 overtime opportunities for ER Social Workers to address referral backlogs, reducing total open referrals by 13% during the same period.

Continued stabilization funding for Emergency Response is essential to maintaining child safety and preserving the system's ability to prevent crises before they escalate.

### **Flexible Family Supports, Two-Year Extension**

Flexible Family Supports funding has enabled county child welfare agencies to address immediate, concrete barriers that support placement stability and help children remain with relatives or other family-based caregivers. These funds provide practical supports that are not typically available through other funding sources. This funding is currently scheduled to sunset on June 30, 2026.

Counties have used Flexible Family Supports to ensure that children entering foster care can be placed promptly with kin by covering the cost of beds, minor home repairs, safety modifications such as pool fencing, and short-term rental or utility assistance. Many counties also use the funds to provide respite care for family caregivers—including kin caregivers—to reduce stress and prevent placement disruptions. Additionally, some counties use the funds to support travel and enrollment in enrichment and normalcy activities, including activities that maintain tribal and sibling connections. These investments have improved children's well-being, supported family-based placements and prevented entry into congregate care, and strengthened caregiver retention by reducing burnout.

In our county, Flexible Family Supports funding helps resource caregivers with respite care, supports youth participation in enrichment activities, facilitates connections to family, community, and culture, and assists with resolving housing and material barriers that would otherwise delay timely placements with relatives and Non-Relative Extended Family Members (NREFMs). As a result, we have been able to offer more resources to caregivers, maintain family connections, and increase placement stability. Without this funding, we anticipate declines in extracurricular participation, potential placement disruptions, and delays in placing children with relatives or NREFMs due to unresolved housing or safety needs.

We aim to continue supporting stable placements through enhanced caregiver respite, increased opportunities for youth, and ongoing assistance for relative caregivers preparing their homes. Sustaining these supports also reinforces our commitment to a Kin-First culture and helps expand relative and NREFM placements.

We respectfully request a two-year extension of Flexible Family Supports funding beyond June 30, 2026, to maintain continuity of these essential services while the State and counties implement the Tiered Rate

Structure on or after July 1, 2027. This extension will prevent any gap in critical supports for foster children, youth, and their caregivers.

Together, Emergency Response Stabilization and Flexible Family Supports are essential to protecting child safety, preserving placements, and sustaining prevention efforts. For these reasons we respectfully urge approval of \$20 million General Fund for Emergency Response in FY 2026-27 and a two-year extension of Flexible Family Supports funding.

Sincerely,



DIANE BURGIS  
Chair, Board of Supervisors

cc: Honorable Members, Contra Costa County Board of Supervisors  
Monica Nino, County Administrator  
Dr. Marla Stuart, Director of Employment and Human Services  
Michelle Rubalcava & Geoff Neill, Nielsen Merksamer

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# Contra Costa County



**Monica Nino**  
Clerk of the Board  
and  
County Administrator  
(925) 655-2075

April 3, 2026

Honorable Caroline Menjivar, Chair  
Senate Budget & Fiscal Review  
Subcommittee No. 3  
1021 O Street, Suite 6630  
Sacramento, CA 95814

Honorable Corey Jackson, Chair  
Assembly Budget Subcommittee No. 2  
1021 O Street, Room 8230  
Sacramento, CA 95814

## **RE: In-Home Supportive Services (IHSS) Budget Proposals Concerns**

Dear Chairs Menjivar and Jackson:

As Chair of the Board of Supervisors of Contra Costa County, I write to express strong opposition to the proposed reductions to the In-Home Supportive Services (IHSS) program included in the 2026-27 Governor's Budget. The Budget proposes several concerning and significant changes: shifting the full nonfederal cost of IHSS hour growth to counties beginning in FY 2027–28; eliminating the permanent Backup Provider System (BUPS); and automating termination of IHSS benefits to align with Medi-Cal discontinuances. Taken together, these changes would intensify fiscal pressures on counties by shifting additional safety-net responsibilities at a time when county resources are crucial to mitigating the most severe impacts of H.R. 1.

We also respectfully urge the Legislature to adopt statutory changes that preserve the current 50/50 cost-sharing arrangement between the State and counties for IHSS Community First Choice Option (CFCO) penalties. Together, these proposals have significant implications for the ability of IHSS recipients to safely remain in their homes, as these create significant pressures that will necessitate trade-offs in county administration of the IHSS program.

The IHSS program in Contra Costa County enables nearly 17,999 older adults and people with disabilities to avoid institutionalization by receiving essential care in their homes, delivered by 17,179 providers. IHSS enhances quality of life by making it easier to live at home and reduces the time and financial burdens placed on family and friend caregivers. County social workers serve as the critical gateway to IHSS, conducting in-home assessments, authorizing service hours, and completing required annual reassessments to ensure timely access to the appropriate level of care, based on individualized needs of clients.

### **Cost Shift for Growth in IHSS Hours to Counties**

The Governor's budget proposes to shift significant new costs to counties for growth in IHSS hours at an estimated cost of \$233.6 million beginning FY 2027-28. This creates a substantial new cost burden with no additional revenues to support it and would effectively place a higher burden on 1991 Realignment funding that counties rely upon to support caseload and cost growth in IHSS and other social services and health and human services safety net programs, including child welfare, CalFresh administration, CalWORKs, public health, behavioral/mental health, and other safety-net responsibilities. Moreover, the proposal creates

pressure for counties to limit growth in authorized hours for some of our most vulnerable Californians in accessing the at-home care they need, even when those hours reflect legitimate care needs and help avoid more costly institutionalization.

Counties already face severe underfunding in IHSS administration, by at least \$246 million total funds in the Administration's own estimate as of spring 2025. To address this funding shortfall in staffing, some counties contribute higher levels of funding to maintain staffing in order to meet state mandates for the program, totaling approximately \$71.1 million in FY 2024-25, or 18 percent above the state General Fund allocation, across all counties. Shifting additional service-level costs to counties would force difficult trade-offs, including the potential to reduce any additional funding for staffing which could result in delays for intakes, reassessments, and critical emerging needs of clients.

Passing higher service costs to counties also threatens to destabilize the provider workforce. Counties must approve any negotiated wages or benefits and that approval depends on predictable, adequate funding for both administration and service costs. Shifting growth costs to counties reduces the resources available to meet provider needs through collective bargaining, thus undermining recruitment and retention and further weakening the workforce at a time when the program is already facing provider shortages amid rising demand. At a time when California is prioritizing aging in place, caregiver workforce stability, and alternatives to institutional care, shifting service cost responsibilities to counties moves the State backward.

Contra Costa County strongly opposes the proposed shift of IHSS hour growth costs to counties and urges the Legislature to reject this proposal and its associated trailer bill language. This proposal will undermine the foundational purpose of IHSS: ensuring that older adults and people with disabilities can remain safely in their homes rather than entering costly institutional care.

### **Minimize harm to IHSS recipients from CFCO Penalties**

The Budget Act of 2025 shifted costs of federal penalties to counties for delayed reassessments under the CFCO program, currently at a 50/50 cost split between State and counties. Effective July 1, 2026, 100% of the liability will shift to counties. Contra Costa County is in strong support of the California Welfare Directors Association (CWDA)-proposed trailer bill language that would preserve the current 50 percent State / 50 percent county cost-sharing structure for CFCO reassessment penalties and address several critical implementation challenges faced by counties. The proposed trailer bill language is necessary to ensure that the implementation of CFCO penalties is fair, transparent, and administratively workable for counties that are already under immense operational strain. Without these statutory changes, counties will continue to face escalating fiscal pressures and increasing barriers to timely intakes, ultimately risking service delays for highly vulnerable IHSS applicants.

The penalties come at a time when counties are already struggling with severe IHSS social worker underfunding, as mentioned above. Contra Costa County served 13,981 IHSS clients in FY 2024-25 and have served 11,625 clients in FY 2025-26 thus far. Social workers in Contra Costa County carry caseloads of 357 IHSS clients per worker, making timely intakes and reassessments exceedingly difficult. The penalties have forced our county to prioritize CFCO reassessments to avoid penalties that would further erode our ability to provide timely access to services for IHSS applicants and other recipients and meet existing State requirements. Counties' immediate response to the CFCO law was to shift priority to CFCO cases to avoid federal fiscal penalties. Absent adequate funding for county staffing, this has resulted in applicants waiting longer for intakes, and existing clients with worsening health conditions are experiencing delays in reassessment. These delays jeopardize clients' safety, place families at risk, and increase the likelihood of costly institutional care, outcomes that contradict the State's long-standing commitment to home- and community-based services.

In Contra Costa County, increased caseloads are the major driver of overdue cases. For July 2025 to January 2026, the penalties assessed total to \$1,649,179. Penalties reduce resources to adequately fund program staffing. Resources from IHSS Intake have been moved to processing CFCO reassessments to mitigate accrual of penalties, delaying determinations on intakes.

CWDA's proposal to include CFCO-related trailer bill language in the 2026 Budget Act is a reasonable, targeted, and cost-effective solution. The proposal would:

- Maintain the current 50 percent State/50 percent county cost share, avoiding a full cost shift to counties. Based on current data, this approach would likely limit State General Fund exposure to no more than \$16 million in FY 2026–27.
- Require CDSS to provide counties with the data necessary to reconcile penalty calculations in order to issue penalty payments to the State and avoid audit risks.
- Exclude IHSS cases that moved between counties or returned from leave from penalty calculations for 30 days after notifying the county of the change, as such circumstances are outside county control.
- Include technical cleanup provisions preventing counties from incurring unintended cost shifts unrelated to overdue reassessments.

This proposal is essential to protect IHSS consumers and ensure equitable access to critical services. Without action, Contra Costa County will be forced to continue to redirect scarce staff time away from timely intakes and urgent reassessments, creating further delays that jeopardize health and safety for IHSS applicants and recipients.

### **Oppose Eliminating the IHSS Backup Provider System (BUPS)**

The Governor's Budget proposes to eliminate BUPS (\$3.5 million General Fund reduction). BUPS prevents gaps in care when a regular IHSS provider is unavailable by matching IHSS recipients with short-term providers. Eliminating BUPS would leave recipients with no safety net, creating service gaps for consumers who rely on backup providers in emergency situations. Consumers with the most complex needs, especially those relying on backup providers, will face increased health risks and potential institutionalization. This modest investment in BUPS yields significant cost savings from avoidance in hospitalizations or other institutional settings.

Auto-terminating IHSS recipients when Medi-Cal is discontinued. The Governor's budget proposes to automate the termination of IHSS to align with the discontinuance of Medi-Cal (an \$86 million General Fund reduction). Currently, when a Medi-Cal case is discontinued, the IHSS recipient may be placed into the state-only IHSS Residual program and payments to their provider can continue until the county takes action to reinstate Medi-Cal. Once the individual comes back into Medi-Cal, the IHSS social worker will rescind the discontinuance and reinstate the recipient in IHSS. Auto-termination will disrupt care continuity and create payment lapses for providers. While framed as a cost containment measure, the "savings" would come from denying services to low-income older adults and people with disabilities. Even if Medi-Cal is restored, the lapse in payment for services creates a financial strain for providers, many of whom may choose to continue to deliver services without pay until Medi-Cal can be fully restored. These disruptions are not minor administrative delays; they represent lapses in essential care for individuals who cannot safely be left without assistance, increasing the likelihood of hospitalization or institutional placement.

Elimination of essential backup supports, and automatic termination of services for low-income recipients would increase risk for older adults and people with disabilities, destabilize the IHSS workforce, and strain already overextended county systems.

For these reasons, the Contra Costa County strongly urges the Legislature to reject the cuts proposed to IHSS in the Governor’s January Proposed Budget and support the CWDA-proposed trailer bill language. Protecting IHSS is essential to safeguarding vulnerable Californians and sustaining their ability to remain safely at home, a value the State has long affirmed and must continue to uphold.

Thank you for your consideration and continued partnership with counties to serve California’s most vulnerable residents.

Sincerely,



DIANE BURGIS  
Chair, Board of Supervisors

cc: Honorable Members, Contra Costa County Board of Supervisors  
Honorable Members, Contra Costa County Legislative Delegation  
Monica Nino, County Administrator  
Dr. Marla Stuart, Director of Employment and Human Services  
Tracy Murray, Director of Aging and Adult Services  
Michelle Rubalcava & Geoff Neill, Nielsen Merksamer

# The Board of Supervisors

County Administration Building  
1025 Escobar St., 4<sup>th</sup> floor  
Martinez, California 94553

**John Gioia**, 1<sup>st</sup> District  
**Candace Andersen**, 2<sup>nd</sup> District  
**Diane Burgis**, 3<sup>rd</sup> District  
**Ken Carlson**, 4<sup>th</sup> District  
**Shanelle Scales-Preston**, 5<sup>th</sup> District

# Contra Costa County



**Monica Nino**  
Clerk of the Board  
and  
County Administrator  
(925) 655-2075

April 1, 2026

California Office of Environmental Health Hazard Assessment  
Director Kris Thayer  
Post Office Box 4010  
Sacramento, CA 95812-4010

## **RE: Contra Costa County's Comments on CalEnviroScreen (CES) version 5.0**

Dear Director Thayer:

On behalf of the Contra Costa County Board of Supervisors, I am writing to express our support for the County's comment letter on the draft CalEnviroScreen (CES) version 5.0 and to underscore the importance of ensuring that statewide environmental health and equity tools accurately reflect on-the-ground conditions in the communities we serve.

CalEnviroScreen has become a foundational resource for advancing environmental justice, guiding state investment, and informing local planning efforts across California. Its role in shaping policy, funding priorities, and long-term climate resilience strategies cannot be overstated. Contra Costa County appreciates the Office of Environmental Health Hazard Assessment's commitment to regularly updating the model so that it continues to evolve with science, data, and policy needs.

At the same time, the County's preliminary analysis of CES 5.0 raises several concerns about data consistency, methodology changes, and the potential implications these shifts may have on historically burdened communities. As noted in the County's comment letter, some census tracts that have long faced significant environmental and socioeconomic stressors appear to move out of the top quartile of CalEnviroScreen scores in CES 5.0, while other areas with comparatively fewer challenges have shifted upward. These unexpected changes—particularly in places like Bay Point and the Pacheco mobile home park—do not match the lived experience of residents or the County's extensive environmental justice engagement efforts.

The County's observations about data variability, including large swings in criteria such as hazardous materials, low-birth-weight indicators, and unemployment, highlight the need for close examination of input data and methodology. Many of these indicators are already sensitive to small sample sizes or operational changes, and when they shift dramatically from one CES version to the next, it can undermine confidence in the results and complicate local planning processes. Local governments rely heavily on CalEnviroScreen when developing General Plans, Climate Action and Adaptation Plans, and other long-range policy documents. As the State continues to refine the CES model, it would be helpful to consider approaches that recognize communities

experiencing long-term disadvantage, even if their CES designation fluctuates between versions. A transitional or supplemental designation—or an approach that incorporates data trends over time—could provide more stability for state funding eligibility and local planning.

Contra Costa County also recommends that the State, through both the Legislature and Administration, consider thoughtfully reevaluating how CalEnviroScreen is used to determine access to statewide climate-related funding. Competitive grants are an important tool, but they can unintentionally exclude communities with fewer administrative resources and force communities to compete against each other to address broader environmental challenges. Flexible block grants or hybrid models that reward equity-centered program design, regional collaboration, and high-road labor practices could help broaden participation while still delivering strong outcomes aligned with State priorities.

Finally, as the State prepares for the development of CES 6.0, we strongly support OEHHA’s intention to integrate climate-related data and impacts into future versions of the model. Climate change is already affecting the health, safety, and economic stability of vulnerable communities, and CalEnviroScreen is well positioned to help guide equitable climate action across California. We encourage OEHHA to continue partnering with local governments and community stakeholders as this work progresses.

Thank you again for your leadership, and for your continued collaboration with Contra Costa County and communities throughout California. We appreciate the opportunity to provide input and remain committed to supporting a CalEnviroScreen framework that is transparent, data-driven, and reflective of the real-world conditions facing our residents.

Sincerely,



DIANE BURGIS

Chair, Board of Supervisors

cc: Honorable Members, Contra Costa County Board of Supervisors  
Honorable Members, Contra Costa County Legislative Delegation  
Monica Nino, County Administrator  
John Kopchik, Director of Conservation and Development  
Kristine Solseng, Principal Planner  
Jody London, Sustainability Coordinator  
Michelle Rubalcava & Geoff Neill, Nielsen Merksamer

Encl.: Contra Costa County Department of Conservation and Development Comment Letter on CalEnviroScreen 5.0

**COMMENTS BY THE COUNTY OF CONTRA COSTA  
ON DRAFT CalEnviroScreen 5.0**

**April 1, 2026**

Thank you for the opportunity to comment on the draft CalEnviroScreen (CES) version 5.0. CalEnviroScreen has become an integral planning and resource allocation tool; we appreciate the effort to ensure it is regularly updated.

Given the importance of CalEnviroScreen, Contra Costa County (County) conducted a preliminary analysis and has some concerns about the draft CES version 5.0. Many of the underlying concerns originated because the proposed CES 5.0 does not match local knowledge on the ground. Some of the County’s most historically disadvantaged communities are no longer in the top 25% of CalEnviroScreen scores, while others that are not especially disadvantaged are now categorized within the top 25% of CalEnviroScreen scores. Communities such as Bay Point and the mobile home park in Pacheco are no longer in the top 25% while communities like East Richmond Heights have a Draft CES 5.0 in the top 25%.

**Concern about Data Input Metrics**

One reason for the change in final CES scores may be due to underlying data inconsistencies and variation between versions. For example, in the Bay Point community there appears to be significant variation in the hazardous material points between CES 4.0 and Draft CES 5.0, with an increased number of hazardous material sites identified as private residences, and removal of known facilities, including Henkel Aerospace, Shell Catalysts, and the Keller Canyon landfill. A more in-depth analysis would be required to see if there are additional inconsistencies in the data. See Attachment 1 for a comparison map of Hazardous Materials sites in Bay Point in CalEnviroScreen 4.0 vs 5.0. The following table provides a review of some of the many factors in the Bay Point community and indicators that match local knowledge about the Bay Point population.

<b>Census Tract</b>	<b>CES 4.0</b>	<b>CES 5.0</b>	<b>Key Factors for change</b>	<b>Why still Disadvantaged</b>
6013314103	75.2	72.92	Extreme swings (68.84%) from CES 4.0 - Draft 5.0 for Hazardous Waste impacts. Uncertain why there is a 33% drop in unemployment rate or a 26.4% drop in housing burden.	This area is in the 96th percentile for asthma, has a linguistic isolation score of 85.56% and a poverty score of 76.8% with a toxic release score at 89.64%

Census Tract	CES 4.0	CES 5.0	Key Factors for change	Why still Disadvantaged
6013314200	83.75	73.2	Significant swings (-20.99%) from CES 4.0 - Draft 5.0 for Hazardous Waste impacts; Significant shifts in low birth weight (-20.90%) extreme shifts (-39.85%) in linguistic isolation despite similar demographic characteristics.	Still has a very high poverty rate (83.09%), unemployment rate (93.38%), and housing burden (84.3%) with higher than average pollution impacts with high percentile for cleanups (81.75%) and lead exposure (77%)
6013315000	75.59	65.52	Extreme swings (56.56%) from CES 4.0 - Draft 5.0 for Hazardous Waste impacts as well as housing burden (-55.88%).	Still has a very asthma rate (93%) and unemployment rate (85%) while being in the top percentile for clean up (92%), ground water threats (92.7%), and traffic impacts 85.2%

**Significant Data Swings between Versions**

Another concern about CES 5.0 is some of the criteria percentages experience a swing of over 20%, and often over 50%, between CES versions 4.0 and 5.0. These swings may be due to small sample size, changes in methodology, or other factors. Some criteria had a greater instance of large swings such as cleanups, hazardous waste facilities, low birth weight, unemployment rate, and housing burden. A census tract in Vine Hill went from the bottom 21.11% in unemployment to the top 82.74% - a change of nearly 62%. Another census tract went from the top 80% for hazardous waste to just bottom 1.89%, with very little change in the surrounding community. While some change due to data reliability is understandable, when specific factors experience such extreme swings, it brings into question the reliability of the criteria used for analysis.

Low birth weight is one example of a criterion with significant swings between CES versions. This is likely because the population measured is so small that minor changes can cause significant swings in the data. In California, the median population size for a census tract is about 4,500 people. The statewide birth rate is estimated to be 4.2 births per 1,000 people, meaning the

average number of births per year in a typical census tract is 19 births. A census tract in the top 99% has a low birth rate of 10.53%, or 2 low-weight births per year. This means that even over a multiyear period one or two births can swing a census tract's population ranking from a low percentile to a high percentile. The swing may be due to actual births, or it could be due to geocoding errors or other data inaccuracies. While it is known that environmental pollution is a factor in low-birth weights and infants with lower birth rates are more susceptible to environmental impacts, there are other factors that may impact the birth weight of an infant that are not related to the environment. Data errors and multicausal low birth weight factor coupled with the small sample size of "infants born in a census tract over the past 4-5 years" results in unreliable measures of community impact. Weighing a criterion with so much variability with the same weight as poverty rate or other factors where the entire census tract population can be impacted creates swings in the population score that may not be related to environmental justice issues.

### **Balancing CES Methodology Updates with Local Planning Efforts**

CalEnviroScreen has evolved into a cornerstone for not only California policy and funding implementation, but also for local planning efforts. The County's [General Plan](#) and [Climate Action and Adaptation Plan](#) include policies focused on environmental justice, as required by both Senate Bill 1000 and the County's Board of Supervisors. Both documents rely on the CalEnviroScreen designation to identify Impacted Communities in Contra Costa County. Revising the *General Plan* to reflect updated CalEnviroScreen designations is anticipated, however when the new designations conflict with local knowledge this creates challenges with our priorities to correct historic injustices, and credibility challenges in community.

Given that the model attempts to quantify local impacts using a large scale, there are communities that continue to experience the same impacts between CES versions yet move in and out of the Disadvantaged Community designation. Thus, local planning efforts and project funding anticipation diverge from State policy and funding opportunities. Please consider integrating these transitionally disadvantaged communities into the analysis by either capitalizing on previous CES analysis as a factor in each iteration or creating a designation for transitional communities.

### **Updating Statewide Climate Funding Methodology**

As noted above, one of the ways the state uses the CES "disadvantaged" designation is to determine eligibility for funding. This leads to a situation where neighboring communities are often competing against each other for limited funds, and many communities are not eligible at all. The state could consider a different method of allocating funding that would increase participation and accelerate progress toward statewide climate goals by simplifying access to funding.

According to the [California Climate Investments Programs web site](#), "Across California, 117 California Climate Investments programs administered by 27 State agencies are continuing to direct billions of dollars into our State's transition to a low-carbon and more equitable future." It is a stretch for a local government to track these grant opportunities, provide comments on draft guidelines, and then determine whether to apply for competitive grants. Before applying for a grant, the local government has to weigh the time and resources needed to develop the grant application against the likelihood of receiving the grant award. This automatically limits the pool

of participating applicants, often leaving out those who do not have the staff and/or resources to develop grant applications.

The State could consider using flexible block grants, rather than a competitive grant process, for local governments that demonstrate how funds will be used to meet State-identified criteria. The State could take the list of California Climate Investment programs and use it as a menu from which local governments could choose to spend their funds. The State could use allocation formulas that provide relatively more funding for communities that are disadvantaged. The formulas could also incentivize other beneficial approaches such as building broad public and private coalitions, designing implementation projects that expand high wage job opportunities suitable for local residents, or joint initiatives by neighboring jurisdictions to create projects with regional reach and significance. This would allow more communities across the state to benefit from the California Climate Investments Programs while still achieving state goals. And it would free up state agency staff to focus on program administration, development, and implementation, rather than writing grant guidelines and conducting bid processes.

This model has been successfully implemented in the past, including grants for Proposition 39 school energy efficiency projects and the Ocean Protection Council's Senate Bill 1 Grant Program. Hallmarks of these programs include rolling quarterly submissions and intergovernmental collaboration, which enable jurisdictions to apply when they are ready and able to implement these priorities.

### **Climate Change Criteria in CES 6.0**

Finally, as the CES methodology evolves, Contra Costa County hopes the Office of Environmental Health Hazard Assessment continues to engage with local leaders. Climate change will increasingly impact communities throughout the state, especially those that are most vulnerable. As CalEPA develops a strategy for integrating climate data for use in CES 6.0, Contra Costa County supports the integration of climate data in CES 6.0 as a collaborative effort to ensure climate action and resiliency continue to be a priority for the State while reflecting local community impacts.

Submitted by:

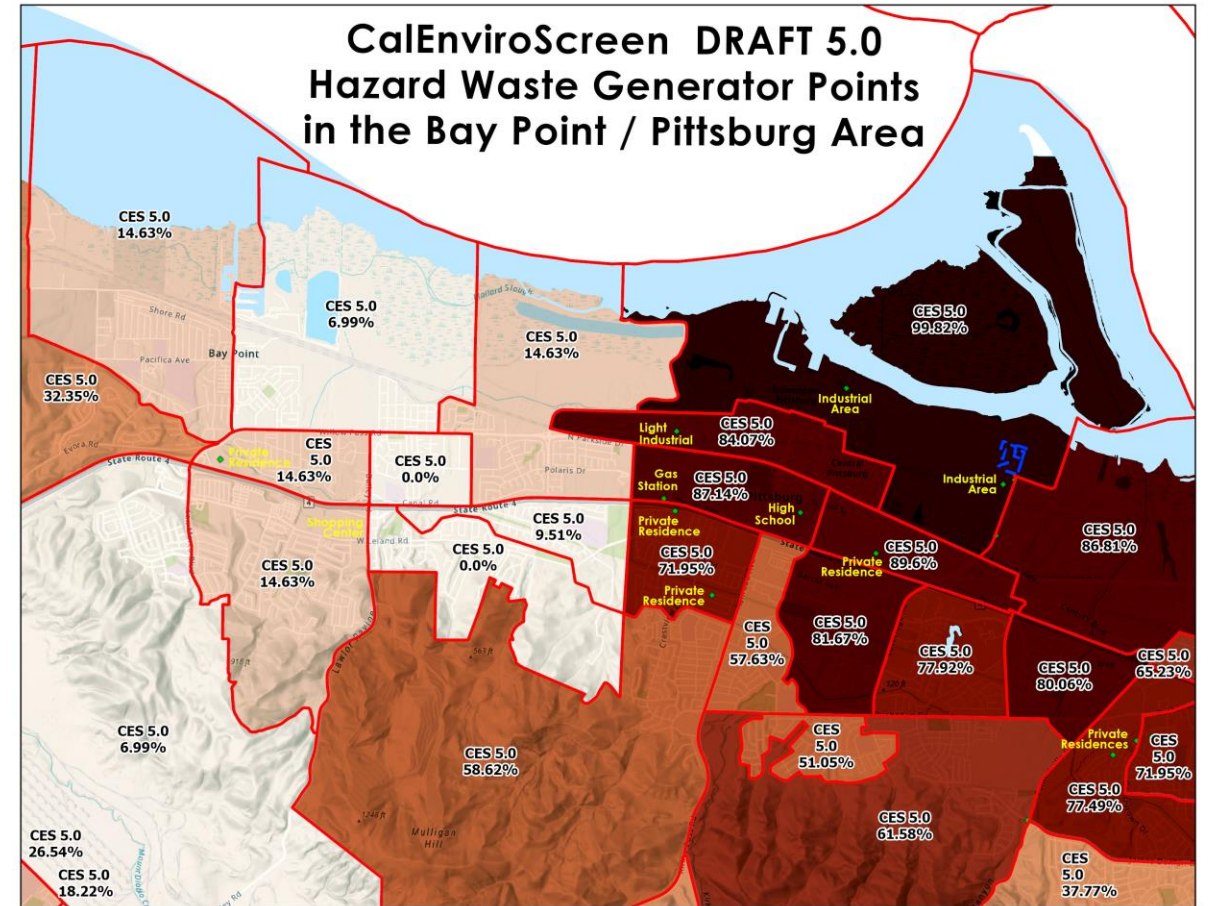
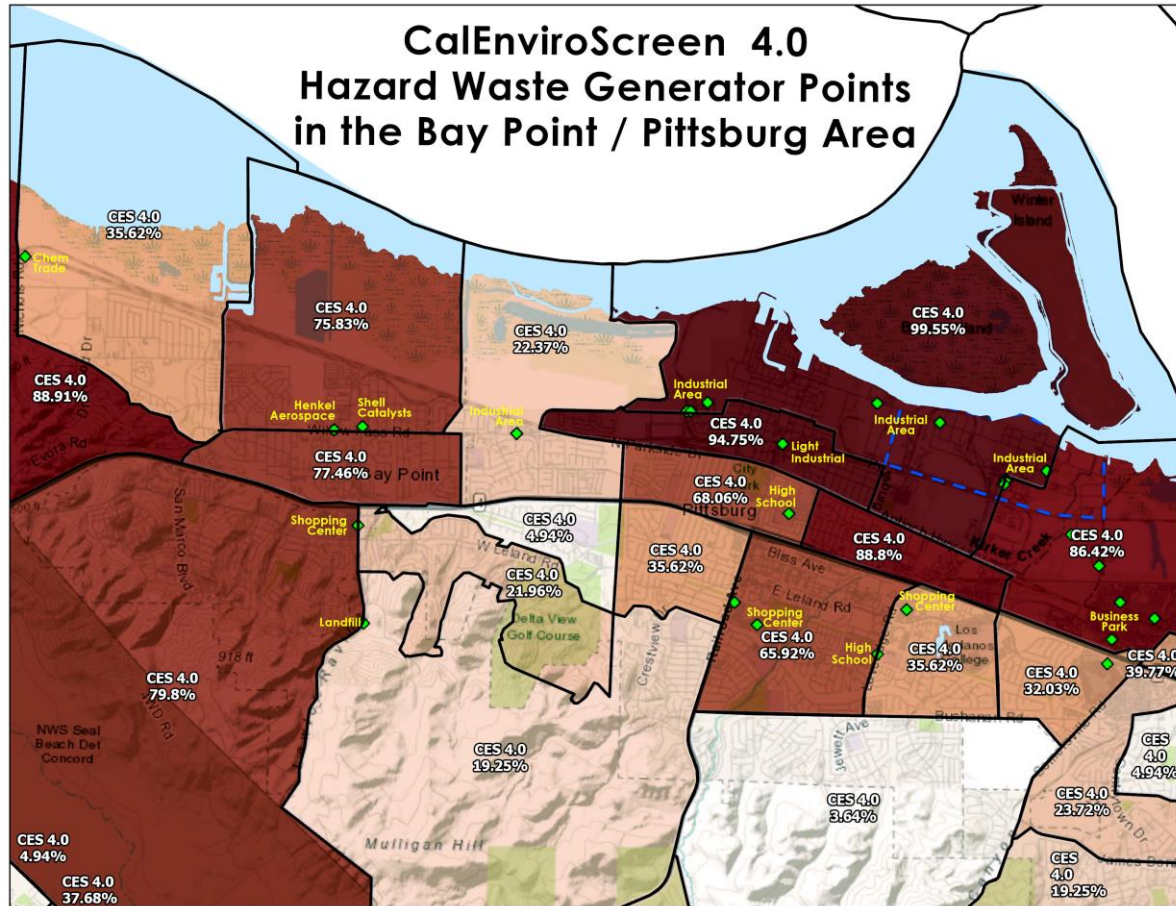
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# Attachment 1: Hazardous Waste Changes in Bay Point CES 4.0 vs Draft CES 5.0



# The Board of Supervisors

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# Contra Costa County



**Monica Nino**  
Clerk of the Board  
and  
County Administrator  
(925) 655-2075

April 3, 2026

The Honorable Gavin Newsom  
Governor of the State of California  
State Capitol  
Sacramento, CA 95814

## **RE: Thank You for Including Sustainable Aviation Fuel Incentives in the State Budget**

Dear Governor Newsom:

On behalf of the Contra Costa County Board of Supervisors, we extend our sincere appreciation for your leadership in including the Sustainable Aviation Fuel (SAF) incentive package in the proposed State of California budget.

For Contra Costa County, this proposal holds particular significance due to the county's longstanding role as a center of energy production, refining, logistics, and fuel innovation. Our county is home to critical industrial facilities, transportation corridors, and skilled labor that uniquely position Contra Costa to support near-term deployment and scaling of SAF production and distribution. Leveraging these existing assets allows California to accelerate decarbonization while maintaining energy reliability and operational efficiency.

The SAF incentive package recognizes the importance of utilizing existing infrastructure—including advanced refining capabilities, rail and marine terminals, and connections to major aviation markets—to support the transition to lower-carbon fuels. These incentives provide a practical pathway to repurpose and modernize facilities in a manner that is both environmentally responsible and economically sound.

Importantly, SAF represents one of the most viable strategies for reducing emissions from the aviation sector, where alternatives are limited. The inclusion of this incentive in the state budget sends a strong signal that California is committed to scalable, technology-driven solutions that deliver measurable emissions reductions while protecting the integrity of the state's energy system.

As the budget advances through the legislative process, the Contra Costa County Board of Supervisors strongly hopes that this SAF incentive package will continue to receive consideration and ultimately be enacted. We stand ready to work collaboratively with your administration and legislative partners to support implementation efforts that advance California's climate objectives and maximize benefits for local communities.

Thank you for your continued leadership and commitment to innovation, sustainability, and responsible energy policy.

Sincerely,

A handwritten signature in blue ink that reads "Diane Burgis". The signature is fluid and cursive, with the first name "Diane" and last name "Burgis" clearly legible.

DIANE BURGIS

Chair, Board of Supervisors

cc: Honorable Members, Contra Costa County Board of Supervisors  
Monica Nino, County Administrator  
Michelle Rubalcava & Geoff Neill, Nielsen Merksamer

# The Board of Supervisors

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**Shanelle Scales-Preston**, 5<sup>th</sup> District

# Contra Costa County



**Monica Nino**  
Clerk of the Board  
and  
County Administrator  
(925) 655-2075

March 5, 2026

Assemblymember Lori D. Wilson  
1021 O Street, Suite 8110  
Sacramento, CA 95814

## **RE: Contra Costa County FY26-27 State Budget Priorities**

Dear Assemblymember Wilson:

Thank you for your ongoing support of programs and efforts to help Contra Costa County's most vulnerable families and residents. On behalf of the Contra Costa County Board of Supervisors, I write to express our strong commitment to a collaborative partnership between the state and local governments to develop a budget that supports the needs of California's 58 counties. In this time of grave uncertainty, we look forward to working together to protect residents from significant reductions to essential services.

We recognize that this year's state budget deliberations are shaped by ongoing state and federal tensions and recent federal policies that impact California's fiscal condition. The Governor's budget proposal estimates billions of dollars in federal fund expenditures in 2026-27, which may change depending on unanticipated federal actions that have economic implications and the continued implementation of H.R. 1.

However, even with this fiscal uncertainty, it is paramount that this budget takes meaningful action to address the onslaught that is coming, particularly in implementing H.R. 1. While the proposed budget minimizes the state deficit with additional revenue, it does not share the wealth with counties that deliver critical services on behalf of the state to millions of Californians every day. Recent state-level cuts and funding delays to core safety-net programs, like In-Home Supportive Services (IHSS), and to the Homeless Housing, Assistance and Prevention (HHAP) Program, along with the lack of implementation funding for Proposition 36 (2024), further erode counties' ability to meet the needs of their constituents. Not to mention counties are facing mounting crises due to federal actions, such as H.R. 1, which will shift billions of dollars in new Medi-Cal, CalFresh, and indigent care costs to counties — without removing the mandates to deliver these services. As a county with an integrated health system, Contra Costa County does not have a fund source to absorb these impacts. Without meaningful support from the state, our communities will suffer as the safety net crumbles.

To this end, Contra Costa County submits the following comments regarding The Governor's 2026-27 budget proposal to inform budget conversations throughout the spring and summer:

### **Impacts of H.R. 1 on County Health and Human Services**

The enactment of H.R. 1 fundamentally shifted significant fiscal responsibility for safety net programs from the federal government to states and counties. While the Governor's budget proposal

includes funding to address the state's increased costs from H.R. 1 impacts, our County is deeply concerned that there is no funding to help counties respond to the massive new fiscal burden that has been placed upon them. The new mandates for eligibility and social work required for SNAP (CalFresh) and Medicaid (Medi-Cal) will require additional staff, technology, and administration, requiring further County investment. Contra Costa is an integrated health system, and operates a health plan, hospitals, and nine community clinics to serve people in our community. We encourage investments in public hospital systems and investments to keep people enrolled in Medi-Cal.

As you know, counties are the safety net providers in California, performing the on-the-ground work to enroll and serve vulnerable families, children, and older adults. Absent state support to address these county budget impacts, the state's safety net will crumble as counties cannot backfill federal funding on our own. If the safety net crumbles, local and state economies will as well. When healthcare fails, individuals cannot work and children will miss school due to illness. Contra Costa County calls for workable policy and fiscal solutions, including investments and administrative relief, to meet our shared goal of preserving health care, public health, social services, and behavioral health services in our communities.

### **Homeless Housing, Assistance and Prevention (HHAP) Program**

Contra Costa County appreciates that last year's \$500 million commitment for the HHAP program in 2026-27 remains. In early March, we were happy to receive \$1.5 million in HHAP Round 6 funding for the Sherman Terrace project in Pleasant Hill, as well as an additional \$6.7 million to the Contra Costa County Continuum of Care.

Although these are positive developments, more investment is needed to further progress. We continue to call for full funding of \$1 billion for Round 7, and for timely, predictable funding to be delivered in FY 26-27 and into the future. Though prior investments for the HHAP program and the demonstrated work of local government and our partners on the ground, as the Governor stated in his state of the state address, California is making significant strides in reducing homelessness. The only way to sustain this progress is to fully fund the HHAP program and distribute Round 7 funding by the enacted September 1, 2026 goal date. Anticipated changes to complimentary federal homelessness programs, such as Continuum of Care (CoC) funding, further threaten this progress and make sustained, predictable, and timely HHAP funding all the more critical.

### **In-Home Supportive Services (IHSS)**

Contra Costa County is strongly opposed to the proposal to remove the state's share of costs for IHSS hours per case growth. This proposal appears to be a significant cost shift to counties that would result in state General Fund savings of \$233.6 million starting in 2027-28. IHSS costs are already outpacing Realignment revenues, the fund source intended to cover them. Any cost shift would undermine the existing fiscal structure of the county IHSS maintenance of effort (MOE) established in 2019 (Chapter 27, Statutes of 2019). Further, increased IHSS costs for counties would take away funding from other mandated critical health and human services programs such as Child Welfare and Mental Health at a time when counties are strained by the increased safety net program costs as a result of the implementation of H.R. 1.

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We are concerned about the Governor's budget proposal to make Medi-Cal Mobile Crisis Services an optional county benefit. This will shift tens of millions per year in costs from the state to the

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### **Conclusion**

We recognize the difficult challenge in crafting a budget during these uncertain times. We are eager to partner with the Legislature and the Governor's Administration to work toward equitable solutions that protect all Californians by offering expertise and on-the-ground realities to help make informed decisions. California is at a critical stage where we cannot lose the economic progress and momentum, we have achieved over the last several years. When H.R. 1 forces counties to backfill the full cost of indigent care, public and rural hospitals are pushed toward closure. Cuts to IHSS pull caregivers out of the workforce. Delays in homelessness and Proposition 36 funding drive up public safety risks and health costs. The result is a ripple effect that weakens local economies and harms communities across California. Counties can provide practical insights and local knowledge essential for shaping policies that work in real-world contexts.

Contra Costa County looks forward to partnering with the Legislature and the Administration to craft a budget that safeguards core services and enables counties to continue supporting our shared constituents.

Sincerely,



DIANE BURGIS

Chair, Board of Supervisors

cc: Contra Costa County Legislative Delegation  
Honorable Members, Contra Costa County Board of Supervisors  
Monica Nino, County Administrator  
Michelle Rubalcava & Geoff Neill, Nielsen Merksamer

# The Board of Supervisors

County Administration Building  
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Martinez, California 94553

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**Shanelle Scales-Preston**, 5<sup>th</sup> District

# Contra Costa County



**Monica Nino**  
Clerk of the Board  
and  
County Administrator  
(925) 655-2075

March 5, 2026

Assemblymember Buffy Wicks  
1021 O Street, Suite 8140  
Sacramento, CA 95814

## **RE: Contra Costa County FY26-27 State Budget Priorities**

Dear Assemblymember Wicks:

Thank you for your ongoing support of programs and efforts to help Contra Costa County's most vulnerable families and residents. On behalf of the Contra Costa County Board of Supervisors, I write to express our strong commitment to a collaborative partnership between the state and local governments to develop a budget that supports the needs of California's 58 counties. In this time of grave uncertainty, we look forward to working together to protect residents from significant reductions to essential services.

We recognize that this year's state budget deliberations are shaped by ongoing state and federal tensions and recent federal policies that impact California's fiscal condition. The Governor's budget proposal estimates billions of dollars in federal fund expenditures in 2026-27, which may change depending on unanticipated federal actions that have economic implications and the continued implementation of H.R. 1.

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To this end, Contra Costa County submits the following comments regarding The Governor's 2026-27 budget proposal to inform budget conversations throughout the spring and summer:

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The enactment of H.R. 1 fundamentally shifted significant fiscal responsibility for safety net programs from the federal government to states and counties. While the Governor's budget proposal

includes funding to address the state's increased costs from H.R. 1 impacts, our County is deeply concerned that there is no funding to help counties respond to the massive new fiscal burden that has been placed upon them. The new mandates for eligibility and social work required for SNAP (CalFresh) and Medicaid (Medi-Cal) will require additional staff, technology, and administration, requiring further County investment. Contra Costa is an integrated health system, and operates a health plan, hospitals, and nine community clinics to serve people in our community. We encourage investments in public hospital systems and investments to keep people enrolled in Medi-Cal.

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Sincerely,



DIANE BURGIS

Chair, Board of Supervisors

cc: Contra Costa County Legislative Delegation  
Honorable Members, Contra Costa County Board of Supervisors  
Monica Nino, County Administrator  
Michelle Rubalcava & Geoff Neill, Nielsen Merksamer

# The Board of Supervisors

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# Contra Costa County



**Monica Nino**  
Clerk of the Board  
and  
County Administrator  
(925) 655-2075

March 5, 2026

Assemblymember Ávila Farías  
1021 O Street, Suite 6140  
Sacramento, CA 95814

## **RE: Contra Costa County FY26-27 State Budget Priorities**

Dear Assemblymember Ávila Farías:

Thank you for your ongoing support of programs and efforts to help Contra Costa County's most vulnerable families and residents. On behalf of the Contra Costa County Board of Supervisors, I write to express our strong commitment to a collaborative partnership between the state and local governments to develop a budget that supports the needs of California's 58 counties. In this time of grave uncertainty, we look forward to working together to protect residents from significant reductions to essential services.

We recognize that this year's state budget deliberations are shaped by ongoing state and federal tensions and recent federal policies that impact California's fiscal condition. The Governor's budget proposal estimates billions of dollars in federal fund expenditures in 2026-27, which may change depending on unanticipated federal actions that have economic implications and the continued implementation of H.R. 1.

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includes funding to address the state's increased costs from H.R. 1 impacts, our County is deeply concerned that there is no funding to help counties respond to the massive new fiscal burden that has been placed upon them. The new mandates for eligibility and social work required for SNAP (CalFresh) and Medicaid (Medi-Cal) will require additional staff, technology, and administration, requiring further County investment. Contra Costa is an integrated health system, and operates a health plan, hospitals, and nine community clinics to serve people in our community. We encourage investments in public hospital systems and investments to keep people enrolled in Medi-Cal.

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Sincerely,



DIANE BURGIS

Chair, Board of Supervisors

cc: Contra Costa County Legislative Delegation  
Honorable Members, Contra Costa County Board of Supervisors  
Monica Nino, County Administrator  
Michelle Rubalcava & Geoff Neill, Nielsen Merksamer

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# Contra Costa County



**Monica Nino**  
Clerk of the Board  
and  
County Administrator  
(925) 655-2075

March 5, 2026

Assemblymember Bauer-Kahan  
1021 O Street, Suite 5210  
Sacramento, CA 95814

## **RE: Contra Costa County FY26-27 State Budget Priorities**

Dear Assemblymember Bauer-Kahan:

Thank you for your ongoing support of programs and efforts to help Contra Costa County's most vulnerable families and residents. On behalf of the Contra Costa County Board of Supervisors, I write to express our strong commitment to a collaborative partnership between the state and local governments to develop a budget that supports the needs of California's 58 counties. In this time of grave uncertainty, we look forward to working together to protect residents from significant reductions to essential services.

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DIANE BURGIS

Chair, Board of Supervisors

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Honorable Members, Contra Costa County Board of Supervisors  
Monica Nino, County Administrator  
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# Contra Costa County



**Monica Nino**  
Clerk of the Board  
and  
County Administrator  
(925) 655-2075

March 5, 2026

Senator Chris Cabaldon  
1021 O Street, Suite 7320  
Sacramento, CA 95814

## **RE: Contra Costa County FY26-27 State Budget Priorities**

Dear Senator Cabaldon:

Thank you for your ongoing support of programs and efforts to help Contra Costa County's most vulnerable families and residents. On behalf of the Contra Costa County Board of Supervisors, I write to express our strong commitment to a collaborative partnership between the state and local governments to develop a budget that supports the needs of California's 58 counties. In this time of grave uncertainty, we look forward to working together to protect residents from significant reductions to essential services.

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Contra Costa County is strongly opposed to the proposal to remove the state's share of costs for IHSS hours per case growth. This proposal appears to be a significant cost shift to counties that would result in state General Fund savings of \$233.6 million starting in 2027-28. IHSS costs are already outpacing Realignment revenues, the fund source intended to cover them. Any cost shift would undermine the existing fiscal structure of the county IHSS maintenance of effort (MOE) established in 2019 (Chapter 27, Statutes of 2019). Further, increased IHSS costs for counties would take away funding from other mandated critical health and human services programs such as Child Welfare and Mental Health at a time when counties are strained by the increased safety net program costs as a result of the implementation of H.R. 1.

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### **Conclusion**

We recognize the difficult challenge in crafting a budget during these uncertain times. We are eager to partner with the Legislature and the Governor's Administration to work toward equitable solutions that protect all Californians by offering expertise and on-the-ground realities to help make informed decisions. California is at a critical stage where we cannot lose the economic progress and momentum, we have achieved over the last several years. When H.R. 1 forces counties to backfill the full cost of indigent care, public and rural hospitals are pushed toward closure. Cuts to IHSS pull caregivers out of the workforce. Delays in homelessness and Proposition 36 funding drive up public safety risks and health costs. The result is a ripple effect that weakens local economies and harms communities across California. Counties can provide practical insights and local knowledge essential for shaping policies that work in real-world contexts.

Contra Costa County looks forward to partnering with the Legislature and the Administration to craft a budget that safeguards core services and enables counties to continue supporting our shared constituents.

Sincerely,



DIANE BURGIS

Chair, Board of Supervisors

cc: Contra Costa County Legislative Delegation  
Honorable Members, Contra Costa County Board of Supervisors  
Monica Nino, County Administrator  
Michelle Rubalcava & Geoff Neill, Nielsen Merksamer

# The Board of Supervisors

County Administration Building  
1025 Escobar St., 4<sup>th</sup> floor  
Martinez, California 94553

**John Gioia**, 1<sup>st</sup> District  
**Candace Andersen**, 2<sup>nd</sup> District  
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**Ken Carlson**, 4<sup>th</sup> District  
**Shanelle Scales-Preston**, 5<sup>th</sup> District

# Contra Costa County



**Monica Nino**  
Clerk of the Board  
and  
County Administrator  
(925) 655-2075

March 5, 2026

Senator Jesse Arreguín  
1021 O Street, Suite 6710  
Sacramento, CA 95814

## **RE: Contra Costa County FY26-27 State Budget Priorities**

Dear Senator Arreguín:

Thank you for your ongoing support of programs and efforts to help Contra Costa County's most vulnerable families and residents. On behalf of the Contra Costa County Board of Supervisors, I write to express our strong commitment to a collaborative partnership between the state and local governments to develop a budget that supports the needs of California's 58 counties. In this time of grave uncertainty, we look forward to working together to protect residents from significant reductions to essential services.

We recognize that this year's state budget deliberations are shaped by ongoing state and federal tensions and recent federal policies that impact California's fiscal condition. The Governor's budget proposal estimates billions of dollars in federal fund expenditures in 2026-27, which may change depending on unanticipated federal actions that have economic implications and the continued implementation of H.R. 1.

However, even with this fiscal uncertainty, it is paramount that this budget takes meaningful action to address the onslaught that is coming, particularly in implementing H.R. 1. While the proposed budget minimizes the state deficit with additional revenue, it does not share the wealth with counties that deliver critical services on behalf of the state to millions of Californians every day. Recent state-level cuts and funding delays to core safety-net programs, like In-Home Supportive Services (IHSS), and to the Homeless Housing, Assistance and Prevention (HHAP) Program, along with the lack of implementation funding for Proposition 36 (2024), further erode counties' ability to meet the needs of their constituents. Not to mention counties are facing mounting crises due to federal actions, such as H.R. 1, which will shift billions of dollars in new Medi-Cal, CalFresh, and indigent care costs to counties — without removing the mandates to deliver these services. As a county with an integrated health system, Contra Costa County does not have a fund source to absorb these impacts. Without meaningful support from the state, our communities will suffer as the safety net crumbles.

To this end, Contra Costa County submits the following comments regarding The Governor's 2026-27 budget proposal to inform budget conversations throughout the spring and summer:

### **Impacts of H.R. 1 on County Health and Human Services**

The enactment of H.R. 1 fundamentally shifted significant fiscal responsibility for safety net programs from the federal government to states and counties. While the Governor's budget proposal

includes funding to address the state's increased costs from H.R. 1 impacts, our County is deeply concerned that there is no funding to help counties respond to the massive new fiscal burden that has been placed upon them. The new mandates for eligibility and social work required for SNAP (CalFresh) and Medicaid (Medi-Cal) will require additional staff, technology, and administration, requiring further County investment. Contra Costa is an integrated health system, and operates a health plan, hospitals, and nine community clinics to serve people in our community. We encourage investments in public hospital systems and investments to keep people enrolled in Medi-Cal.

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# Contra Costa County



**Monica Nino**  
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(925) 655-2075

March 5, 2026

Senator Tim Grayson  
1021 O Street, Suite 7250  
Sacramento, CA 95814

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