

# Budgetary Pressures and Impacts

Update on Federal Government Shutdown

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*Acting Chief Executive Officer*  
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**CEO.**

We are operating within an environment that is highly unpredictable and has the potential for unprecedented impacts to our residents and our workforce.

- The level of lost revenues is too great for the County to backstop federal payments withheld during the shutdown—roughly **\$120 million per week for DPSS.**
- Our Legislative Affairs team is reaching out to a host of individual lawmakers, coalitions and other stakeholders to actively monitor and shape outcomes where possible.
- If the shutdown drags on long enough or payments are not ultimately reimbursed, the County will be forced to make more difficult trade-offs.



**Shutdown began on October 1<sup>st</sup> after Congress failed to pass the Continuing Resolution bill that would have kept the government open through November 21<sup>st</sup>.**

### Options on the table:

H.R. 5371 – the “Clean” Continuing Resolution

- No policy riders
- Would fund the government through November 21<sup>st</sup>

S. 2882 - Senate Democrats Proposal

- Would fund the government through October 31<sup>st</sup>
- Would extend enhanced Affordable Care Act tax credits

Neither has received the 60 votes needed in the Senate to pass and the shutdown continues.

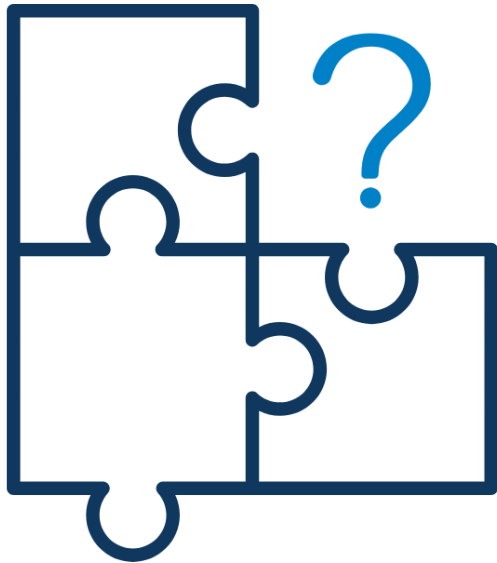


### **Federal Efforts/Opportunities**

- Actively messaging to delegation on shutdown's impacts
- Working with partners to communicate impact
- Delay of cuts to Disproportionate Share Hospital Payments could be included in a Continuing Resolution

### **State Efforts/Opportunities**

- Special Session unlikely
- Ongoing discussions with Department of Finance
- Opportunities for briefing legislators
- Ongoing discussions with State agencies



**If the shutdown continues through December 31<sup>st</sup>, how would that impact County funding, personnel and programs?**

**Programs At Risk of Significant Impacts:**

- Section 8
- Public Housing Operating Fund
- CalFresh
- Medi-Cal
- CalWORKS
- Public Health Programs

**Other Potential Impacts:**

- Delays in federal review of funding requests and loan awards
- Delay in executing financing agreements
- Delays in plan approvals or permits
- Delays in processing child support payment claims

Weekly federal funding is significant and these payments—total roughly \$120 million weekly — will stop coming in if the shutdown extends beyond October 31.

If the shutdown continues through this week, DPSS will need to notify recipients that their November benefits may not be available.

	Estimated Weekly Federal Funding
<b>Assistance Funding</b>	
• CalWORKs	\$27.9 million
• CalFresh	\$80.1 million
• Medi-Cal	Entitlement program. Does not rely on annual congressional appropriations.
<b>Administrative Funding</b>	
• CalWORKs	Administrative expenses funded through December 31, 2025.
• CalFresh	\$11.9 million
• Medi-Cal	Entitlement program. Does not rely on annual congressional appropriations. This includes IHSS



### **Housing Programs**

- Section 8 Project-Based Rental Assistance Contracts and Housing Choice Vouchers - \$9.6 million average weekly cost
- Section 8 Housing Assistance Payments
- Public Housing Operating Fund

### **Safety Net Programs**

- CalWORKS
- CalFresh
- Medi-Cal

Communications are planned to alert:

- Section 8 tenants and owners
- Public housing residents
- Partnering developers



Thank you.

Questions?