

Resolution on the Impact of the Federal Government Shutdown on State and Local Governments

WHEREAS, the current federal government shutdown is causing immediate and cascading harm to states, local governments, workers and communities;

WHEREAS, Medicaid, SNAP food assistance and other essential programs are disrupted, leaving state agencies and caseworkers to manage overwhelming backlogs while families face unnecessary delays;

WHEREAS, federal dollars for health care, education, infrastructure and public safety are stalled, forcing governors and legislatures into the untenable choice of covering for federal failure with reserves, borrowing schemes, or passing the pain onto workers and communities;

WHEREAS, 250,000 federal employees and contract workers in California—many of whom are union members—are being forced to work without pay or are furloughed, causing great personal financial stress;

WHEREAS, Black, Brown, immigrant and low-income workers are disproportionately harmed when benefits are delayed, services are shuttered and paychecks are withheld;

WHEREAS, counties and municipalities rely heavily on federal pass-through dollars for essential services such as public health, transportation, housing and education, and the shutdown forces them to make devastating choices—cutting services, borrowing or depleting reserves;

WHEREAS, shutdown-driven delays in housing assistance, infrastructure projects and public health funding destabilize local economies, increase pressure on municipal budgets and erode trust in government at the community level;

WHEREAS, as local leaders, we are always accountable to our constituents for service disruptions caused by federal inaction, which strains state and local resources and undermines our ability to serve our communities;

WHEREAS, governors and state legislatures will need to take emergency measures during the shutdown to protect working families—including temporary backfills for Medicaid, SNAP, child care and other essential programs; guarantees of back pay and job protections for state employees who are furloughed or forced to work without pay; and transparent, real-time reporting on program disruptions and those who are affected;

WHEREAS, the One Big Beautiful Bill Act has created a mounting health care crisis by cutting more than \$900 billion in federal Medicaid funding and failing to extend the Affordable Care Act (ACA) premium tax credits, all of which will result in health care cost spikes, hospital closures, loss of coverage for some 15 million people and the loss of more than 600,000 health care jobs; and

WHEREAS, health insurers will begin announcing next year's ACA marketplace premiums throughout October, which are expected to increase by 114% for 22 million people if there is no clear extension of the premium tax credits before then;

THEREFORE BE IT RESOLVED, that the San Francisco Labor Council calls on federal leaders to fund the government, fix the health care crisis and put working people first.