

THIS IS HOW SAN FRANCISCO'S RECOVERY FAILS.

How the Big Ugly Bill will Devastate San Francisco's
Local Economy & Social Safety Net



April 2026

Yes on D!
Protect Care | Not Corporate Greed

INTRODUCTION

In July, 2025, the Republican-led Congress in Washington D.C. approved the largest upward transfer of wealth in U.S. History. Over \$1 trillion in cuts were made to Medicaid and SNAP. In exchange, trillions of dollars in tax cuts were given to large corporations and wealthy households. Economists and policy experts project the impact to be staggering: over 10 million people will become uninsured nationwide.¹ Hospitals will be burdened with an increase of over \$200 billion in uncompensated care costs.² Over a million jobs are expected to be lost, many of them in healthcare.³ The unemployment rate is expected to rise.⁴ Wait times in emergency rooms will increase as the uninsured have no alternative way to access care,⁵ and 911 response times will worsen as the system becomes overburdened.⁶ As the ranks of the uninsured increase, safety net hospitals will be pushed to the brink by the one-two punch of funding losses colliding with rising demand for services. Nationwide, grocery store revenues are expected to decline, leading to additional job losses.⁷ SNAP has long been one of the most successful programs in the United States, with each dollar of SNAP spending producing between \$1.54 to \$1.80 dollars in added economic activity, growing to over \$20 dollars when factoring long-term health and wellbeing of children.⁸ As SNAP enrollment declines, grocery store revenues are expected to drop, hitting small, independent groceries the hardest.⁹

These devastating impacts will hit San Francisco's local economy right as the city is emerging from its fragile, post-pandemic recovery. In San Francisco, up to 50,000 residents could lose their healthcare coverage and up to 20,000 could lose access to food assistance.¹⁰ This analysis outlines what local policymakers can expect and how they can fight for sustainable local solutions.

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ZUCKERBERG SAN FRANCISCO GENERAL HOSPITAL AND TRAUMA CENTER

IMPACTS TO HEALTH CARE

Health Care and Education Services are the second leading source of jobs in the San Francisco metro area, accounting for over 436,000 local jobs.¹¹ Despite much discourse about an AI boom driving the post-pandemic recovery, the sector far outranks the Tech industry in terms of job creation.¹² Health care has also been the single largest source of job growth since 2020, accounting for over 15,000 added jobs.¹³ Five of the top ten employers in San Francisco are hospital systems that serve Medi-Cal patients and could face declining revenue and job losses.¹⁴

The City and County of San Francisco is the city's largest employer and will be uniquely impacted, as the city is responsible not only for operating safety net hospitals, which will see a surge in demand from the uninsured, but also for administration of SNAP and Medicaid, which will experience direct funding cuts.

The impacts of H.R.1 could be substantial for a critical pillar of San Francisco's economy:


- Each dollar in federal Medicaid spending produces an estimated \$1.85 in economic output. That translates to a \$300 million drop in economic activity in San Francisco.¹⁵
- Statewide, the health care industry is expected to lose between 3% to 5% of total jobs in the sector and total jobs are expected to drop by 0.6% to 1.2% when accounting for indirect impacts.¹⁶ In San Francisco, this would cause a loss of between 13,080 to 21,800 health care jobs and up to 30,000 total jobs.¹⁷

- Indirect job losses will be concentrated in industries connected to health care and those where health care workers spend money, mainly building maintenance and security, accounting firms, restaurants, laundry services, retailers, and staffing agencies.
- Numerous studies have documented that reductions to Medicaid funding cascade and lead to widespread reduction in services. While the current cuts are targeted at Able Bodied Adults without Dependents, all Medicaid beneficiaries could be at risk of future benefit cuts due to funding losses.¹⁸ 29% of city residents are on Medicaid and could be at risk.¹⁹
- The city's in-home care workers are facing a dual risk to both their clients and their own health care, as many homecare clients are Medicaid recipients and many providers rely on Medicaid themselves.²⁰
- **An estimated 22% of the uninsured will forego necessary health care, leading to more emergency care.**²¹ This could lead to up to 11,000 residents becoming sicker and utilizing more emergency room and 911 services, increasing wait room times and 911 response times.
- The city's Public Health Department has already been asked to make drastic cuts which will inevitably impact the two public hospitals.²² The Mayor's Office has asked the Department of Public Health to identify \$240 million in balancing measures this year, including \$20 million in cuts to staffing and \$20 million in cuts to community based organizations. These reductions are on top of over \$65 million in ongoing cuts that were made to DPH's budget last year.²³
- \$20 million in staffing reductions would amount to roughly 100 job cuts in public health, on top of 17 position cuts the department has already proposed. If applied proportionately, this would lead to a reduction of over 50 staff positions at San Francisco General and Laguna Honda Hospital. The city's hospitals are already struggling with overreliance on per diem staffing due to lack of permanent staff.²⁴
- \$20 million in reductions to Community Based Organizations would be in addition to the \$17 million in reductions approved last year for a total reduction of \$37 million. If spread across all existing contracts evenly, this would amount to a 15% reduction in contracts for crisis intervention, access, navigation and linkage services and residential care and treatment, among other services.²⁵



IMPACTS FOR SAN FRANCISCO'S GROCERY STORES

- The loss of SNAP benefits is expected to cause a \$6 million monthly decline in grocery spending, impacting 300 local grocery jobs and up to 600 related jobs.²⁶
- Every \$1 in SNAP spending supports between \$1.50 to \$1.80 in local economic activity.²⁷ Losses in SNAP benefits could lead to a \$140 million drop in economic output citywide.²⁸
- The National Grocers Association projects that grocery spending nationally will decline by 6%, with small, independent grocery stores facing the greatest losses.²⁹

\$1  **\$1.80**

*Every dollar in SNAP spending
multiplies in local economies.*



WHAT CUTS WILL MEAN FOR EMERGENCY SERVICES

- Budget impacts from H.R.1 could grow as high as **\$481 million** annually by 2038, according to an analysis by the Department of Public Health and the Human Services Agency.³⁰ There will be no easy way to make cuts of this magnitude. For perspective, **that is larger than all discretionary funding for the San Francisco fire department** in the current budget.³¹ Public safety services account for 40% of discretionary spending in the city, making it unlikely that policy makers will be able to avoid reductions.³²
- The city's current budget forecast does not extend as far as 2038, but a \$481 million reduction would equate to a 9% reduction to all discretionary general fund services in out-years of the city's current forecasts.³³
- While a 9% reduction may seem minor, the police and fire department would be left with no choice but to reduce staff. Each department spends approximately 90% of their budget on staffing costs.³⁴ Forgoing nearly all non-personnel spending in departments that rely heavily on infrastructure and equipment will not be feasible, making staffing cuts the only path to reductions.

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IMPACTS FOR COMBATTING HOMELESSNESS

- H.R.1. repealed the exemption from SNAP benefit time limits for adults experiencing homelessness. As a result, 1 in 4 individuals experiencing homelessness who participate in the SNAP program are at risk of losing their benefits. These residents are likely to become sicker and in need of greater care and outreach services.³⁵ The Department of Homelessness and Supportive Housing has been asked to cut \$4 million from its budget this year. This is on top of \$60 million in reductions the department made as part of last year’s budget process.³⁶
- Due to the budget crisis created by H.R.1, **the city will be in a worse position to combat other potential threats to funding for homelessness services.** The State of California relies on a waiver from the Federal Government to utilize Medi-Cal dollars for non-medical care under the CalAIM program, which is up for renewal in December, 2026. The Trump Administration has expressed a desire to end federal support for the program.³⁷ The city is not currently factoring the loss of CalAIM into forecasts, in fact the Department of Public Health is relying on CalAIM revenues as a budget balancing tool. Should these revenues not materialize, public health and homelessness services could face another devastating round of cuts.³⁸



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THE CITY'S CURRENT APPROACH DOESN'T RISE TO MEET THE CRISIS

These impacts are devastating, however, some of them can be mitigated: well-staffed enrollment and eligibility programs can help residents keep their Medicaid benefits. Outreach workers could connect Medicaid and SNAP recipients with employment programs to maintain eligibility. The city already operates the Healthy San Francisco Program, which funds healthcare for residents that are not eligible for Medicaid or Medicare. The program currently has over 2,900 people enrolled, but prior to the Affordable Care Act and Medicaid expansion, it once had over 50,000. With more outreach investments, the program could operate at its prior levels.³⁹ Public hospital and emergency medical response staffing could be increased to meet the surge in demand.

However, all of these proactive measures require permanent funding solutions. The current plan of the City administration is to make the cuts and utilize one-time resources, however, these resources kick the can down the road and devastate the same services residents will need the most. The city's Federal and State Revenue Risk reserve is currently only sufficient to fund roughly two years of near-term losses from H.R.1.⁴⁰ Service cuts being implemented now will drastically under-resource systems right as new Medicaid work requirements go into effect in 2028. However, San Francisco residents have the chance to forge a different path.

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PROPOSITION D OFFERS A REAL SOLUTION TO DEFEND SAN FRANCISCO'S PUBLIC SERVICES

A coalition of nurses, firefighters, teachers and other union workers have placed Proposition D on the ballot as a permanent solution that protects services at the moment they are needed most.

The measure raises the city's existing Overpaid Executive Tax to between 0.183% to 1.2% of gross receipts reported in San Francisco, with the top tax rate applying only to companies that pay their highest paid executive at least 600 times what they pay their median worker. **The measure is focused only on the largest corporations conducting business in San Francisco with at least 1,000 employees and over \$1 billion in revenues—in short, the same businesses that are most likely to benefit from trillions of dollars in tax breaks due to H.R.1.** It would raise between \$250-\$300 million in revenue and give the city the tools it needs to meet the community's needs. It would allow San Francisco to take a path towards recovery that works for all residents, not just large corporations.

While critics have made false claims that the measure won't be paid by large corporations and will instead hurt chain grocery stores, harming the city's recovery, **there is ample evidence that large corporations have paid the Overpaid Executive Tax and would be likely to continue doing so.** According to city records, companies like Coinbase,⁴¹ IBM,⁴² and General Motors have all historically been payers of the Overpaid Executive Tax.⁴³ As was Instacart, which does business as Maplebear Inc.⁴⁴ Losses that the city's grocery stores are facing from SNAP cuts far outweigh the impacts of a tax with a maximum rate of 1.2% that would apply only to the largest chains. There is also little evidence that the prior version of the Overpaid Executive Tax, which was significantly higher, led to business flight from San Francisco, as revenues remained steady each year.

Business location decisions are complex, and Proposition D would represent a small offset of the tax cuts corporations are receiving at the federal level, but a significant investment in San Francisco's recovery.

CITATIONS

1. See “Estimated Effects of the Number of Uninsured People in 2034 Resulting from policies Incorporated Within CBO’s Baseline Projections and H.R.1, the One Big Beautiful Bill Act,” from the Congressional Budget office, June 4, 2025.
2. See “H.R.1 Strips Vital Health, Nutrition and Economic Resources from Poorest, Most Vulnerable Americans: Statement from Dean Lynn Goldman and Health Policy Scholars at the George Washington University Milken School of Public Health,” July 3, 2025.
3. See issue brief “How Potential Federal Cuts to Medicaid and SNAP Could Trigger the Loss of a Million-Plus Jobs, Reduced Economic Activity and Less State Revenue” from the Commonwealth Fund, March 25, 2025.
4. See issue brief “How Medicaid and SNAP Cutbacks in the ‘One Big Beautiful Bill’ Would Trigger Big and Bigger Job Losses Across States,” Commonwealth Fund, June 23, 2025.
5. See the American Hospital Association Statement on Senate Passage of One Big Beautiful Bill Act, July 1, 2025.
6. See press release from the American Medical Association “Congress Moves Health Care in Wrong Direction,” July 3, 2025.
7. See “Protect SNAP: Expanded Food Access, not Restrictions, Is the Prescription for Better Health Outcomes,” Food Action Research Center, September 19, 2025.
8. See “The Economic Costs of Cutting SNAP: Every \$1 in SNAP Cuts to Families with Children Costs Society \$14 to \$20,” Center on Poverty and Social Policy at Columbia University; Near-term economic multipliers are from an analysis by the Food Research Action Center,
9. According to an analysis by the Food Research Action Center, small, independent and local grocery stores, especially those in low income communities, are impacted the most by reductions to SNAP spending.
10. Data is from an Analysis conducted by San Francisco’s Department of Public Health and Human Services Agency.
11. Data from the Bureau of Labor Statistics.
12. Ibid. According to the BLS, the Information sector accounts for 130,000 local jobs, ranking fifth among industries in San Francisco.
13. See the San Francisco Chief Economist’s “Status of the San Francisco Economy” report for January, 2026.
14. According to the 2025 Annual Comprehensive Financial Report for San Francisco, the top ten employers, in order, are the City and County of San Francisco, UCSF Health, Salesforce, United Airlines, San Francisco Unified School District, Sutter Health, Wells Fargo & Co, Kaiser Permanente, Allied Universal and Uber Technologies. See page 287. For data on Medi-Cal patients served by hospital, see CalHHS Hospital Inpatient Data – Characteristics by Facility.
15. Total reductions to federal Medicaid spending are expected to be \$179 million (\$83.3 million for supplemental payments and \$85.8 million in losses due to disenrollment; Multiplier effect is from an analysis conducted by the UC Berkeley Labor Center on statewide economic impacts.
16. See “California Could Lose Up to 217,000 Jobs if Congress Cuts Medicaid,” UC Berkeley Labor Center, April 24, 2025.
17. Calculations are based on 3%-5% loss in local health care jobs, which account for 436,000 jobs in the San Francisco-San Mateo metro region, and a 1.2% loss in total regional jobs. Assumptions are based on findings that H.R.1 could lead to between 109,000 to 217,000 lost jobs statewide, representing 0.6% to 1.2% of total jobs in California. Data is pulled from Bureau of Labor Statistics data on the metro region and state of California, as well as analysis by the U.C. Berkeley Labor Center.
18. See “H.R.1. Strips Vital Health, Nutrition and Economic Resources from Poorest, Most Vulnerable Americans,” a statement from the Dean of the George Washington University Milken School of Public Health.
19. See analysis from the UC Berkeley Labor Center on Medi-Cal enrollment and spending by County.
20. See the Legislative Analyst’s Office analysis of County Administration and H.R.1 Implementation.
21. See “Uninsurance Rates Have Fallen Significantly Following the Affordable Care Act: Several Policy Changes Could Further Increase Coverage,” Brookings, July 22, 2024.

CITATIONS

22. The two departments account for over half of all personnel in DPH. See the Department of Public Health's Memo to the Health Commission, dated February 2, 2026.
23. See slide 5 of the Department of Public Health's FY 25-27 Budget presentation.
24. See the Department of Public Health's memo to the Health Commission, February 2, 2026.
25. See "Planned FY 2026-27 CBO Budget Reductions," page 4.
26. Data is from an Analysis conducted by San Francisco's Department of Public Health and Human Services Agency.
27. "City Playbook: Preparing for the Impacts of H.R.1/OBBA on Food Security and Local Economies," Food Research & Action Center, February 2026; "Closer Look: How SNAP Cuts Will Impact Critical Food Access: TC Experts Weigh In on the Challenges Posed by Policy Changes," Teachers College Columbia University, October 24, 2025.
28. Federal SNAP spending in San Francisco is estimated at \$6 million monthly or \$75 million annually in San Francisco, based on city reports. This represents 21,000 households losing benefits with an average monthly benefit of \$298 per household.
29. See "Protect SNAP: Expanded Food Access, not Restrictions, Is the Prescription for Better Health Outcomes," Food Action Research Center, September 19, 2025.
30. Data is from an Analysis conducted by San Francisco's Department of Public Health and Human Services Agency.
31. See the Annual Appropriation Ordinance, page 17. Total general fund support for the fire department in fiscal year 2026-2027 is \$384 million.
32. See "Balancing Trade-Offs: How Police and Fire Labor Negotiations will Impact San Francisco's Budget and It's Future," pg. 9.
33. Calculation is based on the Controller's forecast of Aggregate Discretionary Revenues of \$5.6 billion for fiscal year 2029-2030. See March Joint Report Update, page 14.
34. See "Balancing Trade-Offs: How Police and Fire Labor Negotiations will Impact San Francisco's Budget and It's Future," pg. 10.
35. See "H.R.1's SNAP Rules will Harm Californians Experiencing Homelessness," from the California Budget and Policy Center, January, 2026.
36. See "HSH Proposed Budget FY 2026-2027 and FY2027-2028." See slide 9.
37. "Biden let California get creative with Medicaid spending. Trump is signaling that may end," CalMatters, April 24, 2025.
38. See the Department of Public Health's February 2, 2026 presentation memo to the Health Commission, pg 6. The department is counting on roughly \$40 million in revenue enhancements from CalAIM billing.
39. Data is from an Analysis conducted by San Francisco's Department of Public Health and Human Services Agency.
40. See March Joint Report Update, page 15.
41. <https://sfgov.legistar.com/LegislationDetail.aspx?ID=7126680&GUID=9E06A1B9-E085-4313-B19A-5C72461BAAD0&Options=ID|Text|Attachments|&Search=overpaid+executive>
42. <https://sfgov.legistar.com/LegislationDetail.aspx?ID=7286881&GUID=8B5588A0-407F-403C-883C-6C4E38AAE79B&Options=ID|Text|Attachments|&Search=overpaid+executive>
43. <https://sfgov.legistar.com/LegislationDetail.aspx?ID=7761941&GUID=2BC8ADDC-0D48-4663-ABED-3A1F8476BE21&Options=ID|Text|Attachments|&Search=overpaid+executive>
44. <https://sfgov.legistar.com/LegislationDetail.aspx?ID=6842099&GUID=123EF021-05DD-408A-B939-EE21F113EF93&Options=ID|Text|Attachments|&Search=overpaid+executive>