



Legislative Bulletin

DRAFT

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County of Orange Positions on Proposed Legislation

The Legislative Bulletin provides the Board of Supervisors with analyses of measures pending in Sacramento and Washington that are of interest to the County. Staff provides recommended positions that fall within the range of policies established by the Board. According to the County of Orange Legislative Affairs Program Guidelines adopted by the Board of Supervisors on January 25, 2022, staff recommendations for formal County positions on legislation will be agendized and presented in this document for Board action at regular Board of Supervisors meetings. When the Board takes formal action on a piece of legislation, the CEO will direct the County's legislative advocates to promote the individual bills as approved by the Board. The Legislative Bulletin also provides the Board of Supervisors with informative updates on State and Federal issues.

The 2025-2026 Legislative Platform was adopted by the Board of Supervisors on November 19, 2024.

On June 23, 2026, the Board of Supervisors will consider the following actions:

RECOMMENDED ACTIONS

1. **Receive and File Legislative Bulletin**
2. **SUPPORT – AB 760 (Ta) Income taxes: exclusions: 2026 Garden Grove chemical leak.**
3. **CHANGE POSITION FROM SUPPORT TO OPPOSE – AB 2194 (Valencia) Medi-Cal: special commissions.**

INFORMATIONAL ITEMS

1. **County Position Matrix: CEO-LA**
2. **Sacramento Legislative Report**
3. **Washington DC Legislative Report**

1. SUPPORT – AB 760 (Ta) Income taxes: exclusions: 2026 Garden Grove chemical leak.

CEO/Office of Legislative Affairs
Bill Analysis



BILL NUMBER:	Assembly Bill (AB) 760	INTRODUCED/AMENDED DATE:	Introduced: February 18, 2025 Amended: May 8, 2025 Amended: June 11, 2026
AUTHOR:	Assemblymember Tri Ta (AD – 70)		
SUBJECT:	Income taxes: exclusions: 2026 Garden Grove chemical leak.		
BILL SPONSOR:	N/A		
STATUS:	Senate Revenue and Taxation Committee – 06/24/2026 hearing		
REQUESTING DEPARTMENT/AGENCY:	CEO Legislative Affairs		
CEO-LA RECOMMENDED POSITION:	SUPPORT		
<u>Current Law:</u>	The Personal Income Tax Law and the Corporation Tax Law, in conformity with federal income tax law, generally define “gross income” as income from whatever source derived, except as specifically excluded, and provide various exclusions from gross income. Existing law requires any bill authorizing a new tax expenditure to contain, among other things, specific goals that the tax expenditure will achieve, detailed performance indicators, and data collection requirements.		
<u>Proposed Law:</u>	For taxable years from January 1, 2026 to January 1, 2031, this bill would provide an exclusion from gross income for any qualified taxpayer, as defined, for amounts received for costs and losses associated with the 2026 Garden Grove chemical leak. This bill would include additional information required for any bill authorizing a new tax expenditure. This bill would take effect immediately as a tax levy.		
<u>Prior Legislative Votes:</u>	N/A. Prior legislative votes were for a different version of this bill.		

<u>Vote Threshold:</u>		Majority
<u>State Mandated Local Program:</u>		No
<u>Fiscal Committee:</u>		Yes
<u>Support and Opposition:</u>		Support • TBD Opposition • TBD
<u>Background:</u>		On May 21, 2026, the Orange County Sheriff's Department issued a mandatory evacuation order for hazardous materials release from a chemical tank at the GKN aerospace manufacturing facility in the City of Garden Grove. The Governor proclaimed a state of emergency, directing state agencies to coordinate rapidly with local officials to support response and recovery operations. About 50,000 residents were evacuated. On May 26, 2026, officials confirmed that the threat of a hazardous materials release was eliminated and the evacuation order was lifted. This bill would exempt from taxable income any settlement money received by individual taxpayers affected by the Garden Grove incident described above. Under this proposal, "qualified taxpayer" is defined as: A. Any taxpayer who owned real property located in the County of Orange during the 2026 Garden Grove chemical leak who paid or incurred expenses and received amounts from a settlement arising out of the 2026 Garden Grove chemical leak. B. Any taxpayer who resided within the County of Orange during the 2026 Garden Grove chemical leak who paid or incurred expenses and received amounts from a settlement arising out of the 2026 Garden Grove chemical leak. C. Any taxpayer who had a place of business within the County of Orange during the 2026 Garden Grove chemical leak who paid or incurred expenses and received amounts from a settlement arising out of the 2026 Garden Grove chemical leak. The Legislature has provided similar exemptions in the past for wildfire and disaster settlements. Senator Tony Strickland serves as a principal co-author on this legislation.
<u>Department Comments, Impact on Area(s) of Responsibility:</u>		N/A
<i>Mandates:</i>	N/A	
<i>Operations:</i>	N/A	

<i>Estimated Costs:</i>	N/A
<i>Estimated Revenues:</i>	N/A
<u>Policy Platform References:</u>	<u>CS-21: Environmental & Public Health:</u> Support measures that increase funding, resources, and authority to promote and maintain environmental and public health efforts across the County that include regulatory compliance, enforcement, and response, to meet the needs of vulnerable populations. <u>CS-40: Public Health Infrastructure & Emergency Response:</u> Support legislative and budgetary proposals to sustain and strengthen infrastructure and efforts to respond to, and recover from, public health emergencies and resulting economic impacts both during the emergency and long-term recovery period.

2. CHANGE POSITION FROM SUPPORT TO OPPOSE – AB 2194 (Valencia) Medi-Cal: special commissions.

CEO/Office of Legislative Affairs
Bill Analysis



BILL NUMBER:	Assembly Bill (AB) 2194	INTRODUCED/AMENDED DATE:	<u>Introduced:</u> February 19, 2026 <u>Amended:</u> March 26, 2026 June 15, 2026
AUTHOR:	Assemblymember Avelino Valencia (AD 68)		
SUBJECT:	Medi-Cal: special commissions.		
BILL SPONSOR:	<i>This bill was previously sponsored by the County of Orange.</i>		
STATUS:	Senate Health Committee – 06/24/2026 hearing Senate Local Government Committee – Hearing date TBD		
REQUESTING DEPARTMENT/AGENCY:		CEO Legislative Affairs	
CEO-LA RECOMMENDED POSITION:		CHANGE POSITION FROM SUPPORT TO OPPOSE	
<u>Current Law and Background:</u>		Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which health care services are provided to qualified, low-income persons. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law authorizes a county board of supervisors to establish a commission to negotiate an exclusive contract with the department to provide, or arrange for the provision of, health care services under the Medi-Cal program. Pursuant to the authority described above, the County of Orange established a commission, known as the Orange County Health Authority or CalOptima, to provide health care services under the Medi-Cal program. Existing law vests governance of the commission in a 10-member governing body and requires that 2 of the governing body's members be members of the Board of Supervisors of the County of Orange, with one additional member from the Board of Supervisors of the County of Orange serving as an alternate.	

	Existing law requires each member to serve a 4-year term, except as described.
<u>Proposed Law:</u>	AB 2194, as amended on June 15, makes the following changes to current law: 1. Restructures the Cal Optima Board. • Restructures the CalOptima Board of Directors from 10 members (9 voting and 1 nonvoting) to 9 members (all voting). • Removes all Board of Supervisors' representation from the Board. Currently, the CalOptima Board includes two members of Board of Supervisors and an alternate member of the Board of Supervisors. • Adds the Director of the Orange County Health Care Agency as a voting member. Currently, the Director serves as a nonvoting member. • Adds the Director of Social Services for the County of Orange as a voting member. Currently, the Director of Social Services does not serve on the CalOptima Board. 2. Selection of Cal Optima Board Members. • Establishes a new process for the selection of Cal Optima Board Members. Currently, the Board of Supervisors appoint members to the Cal Optima Board. • Removes all authority for the Board of Supervisors to appoint Cal Optima Board Members. • Establishes a 9-member selection committee, who by a majority vote, will appoint members to the Cal Optima Board. The selection committee will be composed of: ○ The Senator who represents the most Medi-Cal beneficiaries who are members of the Orange County Health Authority or their surrogate. ○ The Assembly Member who represents the most Medi-Cal beneficiaries who are members of the Orange County Health Authority or their surrogate. ○ The United States Representative who represents the most Medi-Cal beneficiaries who are members of the Orange County Health Authority or their surrogate. ○ An Orange County Health Authority member or family representative. ○ An at-large representative. ○ A financial or legal representative. ○ An independent practice physician representative. ○ A hospital representative. ○ A provider representative. 3. Staggers Terms. • The terms of governing board members serving prior to January 1, 2027 will remain unchanged.

	- For governing board members beginning their term after January 1, 2027, terms will be staggered. - Terms will be determined by lot at their first meeting.
<u>Prior Legislative Votes:</u>	Assembly Health Committee (Ayes 16. Noes 0.) Assembly Appropriations Committee (Ayes 14. Noes 0.) Assembly Floor (Ayes 68. Noes 0.) <i>*All votes were made prior to the June 15 amendments.</i>
<u>Vote Threshold:</u>	Majority
<u>State Mandated Local Program:</u>	Yes
<u>Fiscal Committee:</u>	Yes
<u>Support and Opposition:</u>	<u>Support:</u> - TBD <u>Opposition:</u> - TBD
<u>Background:</u>	AB 2194 was introduced by Assemblymember Valencia as an Orange County-sponsored bill that would strengthen the governance structure of the CalOptima Health Board of Directors by making two changes: 1) staggering the terms of seven Health Directors and 2) providing the Board of Supervisors' Alternate Director with access to confidential materials. These policy proposals were approved by the Orange County Board of Supervisors. On June 15, AB 2194 was amended to reflect a policy proposal that differs from the Board-approved proposals described above. Due to this change, the County of Orange is now recommending changing the position on AB 2194 to Oppose. <u>Concerns with AB 2194:</u> AB 2194 as amended will disrupt CalOptima's governance structure and may cause vulnerable community members to lose their health insurance and suffer needlessly. Responding to the unprecedented threats of H.R. 1 requires effective coordination between the Orange County Board of Supervisors and CalOptima to ensure our most vulnerable residents don't fall off Medi-Cal and lose life-saving services. The statutory authority allowing the Board of Supervisors to serve on CalOptima is crucial to the coordination of service delivery between the County, including the Orange County Health Care agency and the Orange County Social Services Agency, and CalOptima. By disrupting the CalOptima Board's governance, this bill could delay important decisions by the CalOptima Board, risk the continuity of services, and harm the existing collaboration

		between CalOptima and the County. Any delay could result in more individuals losing their health coverage. There are 34 California counties who participate in a County Organized Health System (COHS), such as CalOptima. Members of each COHS board are appointed by the county board of supervisors. Under AB 2194, Orange County would be the only COHS without this authority. Additionally, in every other COHS, county supervisors serve directly on the COHS boards. This is true for all existing COHS boards. Under AB 2194, Orange County would be the only COHS without representation from the Board of Supervisors. County Supervisors play a critical role in COHS oversight. Their constituents directly elect them to supervise government operations in a variety of areas. Excluding them from Orange County's COHS governing board would leave residents without their elected representatives serving on the CalOptima board and without a voice on the board who is directly accountable to them.
<u>Department Comments, Impact on Area(s) of Responsibility:</u>		N/A
<i>Mandates:</i>	This bill would require the Director of the Orange County Social Services Agency to serve as a voting member on the CalOptima Board. The Director does not currently serve on the CalOptima Board. This bill would require the Director of the Health Care Agency to serve as a voting member of the CalOptima Board. The Director currently serves as a nonvoting member.	
<i>Operations:</i>	This bill could disrupt and cause delays to regular county operations with CalOptima.	
<i>Costs:</i>	N/A	
<i>Revenues:</i>	N/A	
<u>Policy Platform References:</u>		<u>CS-39: Public Health & Wellness:</u> Support measures that protect the public against disease and disability and promote health. <u>GS-14: Local Governance Authority:</u> The County supports legislation and budget actions that preserve its local discretionary control and flexibility over its governance issues, including land use authority and service delivery.

INFORMATIONAL ITEMS

1. County Position Matrix: CEO-LA

The tables below list the bills the Board of Supervisors has taken positions on in the 2025-26 legislative session.

State Legislation

As of Thursday, June 18, 2026

Measure	Author	Topic	Date of Board Action	Board Position	Status
<u>AB 28</u>	<u>Schiavo</u>	Solid waste landfills: subsurface temperatures.	06/24/2025	Oppose	06/15/2026 - Senate Environmental Quality
<u>AB 35</u>	<u>Alvarez</u>	Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: Administrative Procedure Act: exemption: program guidelines and selection criteria.	03/24/2026	Support	06/09/2026 - Senate Appropriations
<u>AB 282</u>	<u>Pellerin</u>	Discrimination: housing: source of income.	05/06/2025	Support	09/11/2025 - 2 Year
<u>AB 283</u>	<u>Haney</u>	In-Home Supportive Services Employer-Employee Relations Act.	08/26/2025	Support if Amended	09/11/2025 - 2 Year
<u>AB 736</u>	<u>Wicks</u>	The Affordable Housing Bond Act of 2026.	04/28/2026	Support if Amended	05/14/2026 - Senate Third Reading
<u>AB 762</u>	<u>Irwin</u>	Disposable, battery-embedded vapor inhalation device: prohibition.	04/22/2025	Support	06/17/2026 - Senate Revenue And Taxation
<u>AB 1088</u>	<u>Bains</u>	Public health: kratom.	06/24/2025	Support	06/10/2026 - Senate Health
<u>AB 1567</u>	<u>Ta</u>	General plan: annual report: congregate and residential care for the elderly.	03/24/2026	Support	06/17/2026 - Senate Appropriations
<u>AB 1602</u>	<u>Rubio, Blanca</u>	Foster youth: disaster aid assistance.	03/24/2026	Support	06/16/2026 - Senate Appropriations
<u>AB 1619</u>	<u>Valencia</u>	Public employees' retirement: administration.	05/19/2026	Support	06/17/2026 - Senate Appropriations
<u>AB 1638</u>	<u>Ta</u>	County veterans service officers: additional resources.	04/14/2026	Support	05/14/2026 - Dead
<u>AB 1830</u>	<u>Petrie-Norris</u>	Ignition interlock devices.	03/24/2026	Support	06/17/2026 - Senate Rules
<u>AB 1893</u>	<u>Gallagher</u>	Wildfire prevention: local assistance grant program: eligible activities.	04/28/2026	Support	05/14/2026 - Dead

<u>AB 2002</u>	<u>Solache</u>	Local government assistance: Regional Early Action Planning Fund.	04/28/2026	Support	06/17/2026 - Senate Appropriations
<u>AB 2076</u>	<u>Lowenthal</u>	The Parent's Accountability and Child Protection Act: online marketplaces: nitrous oxide.	03/24/2026	Support	06/03/2026 - Senate Privacy, Digital Technologies, And Consumer Protection
<u>AB 2194</u>	<u>Valencia</u>	Medi-Cal: special commissions.	12/16/2025	Sponsor	05/06/2026 - Senate Health
<u>AB 2309</u>	<u>Bains</u>	CalFresh Protection Act.	04/14/2026	Support	05/06/2026 - Assembly Appr. Suspense File
<u>AB 2320</u>	<u>Ta</u>	Multifamily Housing Program: Homekey: adaptive reuse.	12/16/2025	Sponsor	06/10/2026 - Senate Appropriations
<u>AB 2373</u>	<u>Dixon</u>	The California Coastal Act: local coastal program: sea level rise plan: neighborhood-scale adaptation approach.	04/14/2026	Support	05/14/2026 - Dead
<u>AB 2513</u>	<u>Petrie-Norris</u>	Wildfire: Regional Forest and Fire Capacity Program: local assistance grant program: regional landscape grants.	03/24/2026	Support	06/10/2026 - Senate Natural Resources And Water
<u>AB 2562</u>	<u>Dixon</u>	Alcohol or other drug recovery and treatment programs and facilities: suicide prevention.	04/14/2026	Support	06/10/2026 - Senate Health
<u>AB 2614</u>	<u>Dixon</u>	Public health: Body Brokering and Patient Referral Integrity Act.	04/14/2026	Support	04/23/2026 - Dead
<u>SB 296</u>	<u>Archuleta</u>	Property taxation: exemption: disabled veteran homeowners.	03/25/2025	Support	07/15/2025 - Assembly Rev. & Tax Suspense File
<u>SB 329</u>	<u>Blakespear</u>	Alcohol and drug recovery or treatment facilities: investigations.	03/25/2025	Support	08/28/2025 - 2 Year
<u>SB 417</u>	<u>Cabaldon</u>	The Affordable Housing Bond Act of 2026.	04/28/2026	Support if Amended	05/18/2026 - Assembly Third Reading
<u>SB 577</u>	<u>Laird</u>	State Government.	08/25/2025	Support	09/11/2025 - 2 Year
<u>SB 758</u>	<u>Umberg</u>	Public health: nitrous oxide.	01/13/2026	Sponsor	01/27/2026 - Assembly Desk
<u>SB 888</u>	<u>Seyarto</u>	Property taxation: disabled veterans' exemption: household income.	03/24/2026	Support	06/17/2026 - Assembly Revenue And Taxation
<u>SB 893</u>	<u>Seyarto</u>	State parks: facilities pass: Gold Star Family members.	04/14/2026	Support	05/14/2026 - Dead
<u>SB 907</u>	<u>Archuleta</u>	Driving under the influence and other driving offenses: comprehensive reform.	03/24/2026	Support	06/01/2026 - Assembly Public Safety
<u>SB 936</u>	<u>Blakespear</u>	Nitrous oxide: sales.	12/16/2025	Sponsor	06/16/2026 - Assembly Public Safety

<u>SB 1040</u>	<u>Choi</u>	Veterans Cemetery Maintenance-Endowment Match Act.	04/14/2026	Support	05/14/2026 - Dead
<u>SB 1167</u>	<u>Blakespear</u>	Vehicles: electric bicycles.	04/28/2026	Support	06/08/2026 - Assembly Transportation
<u>SB 1310</u>	<u>Choi</u>	Voter registration: prospective jurors.	12/16/2025	Sponsor	04/23/2026 - Dead
<u>SB 1314</u>	<u>Menjivar</u>	Smoke shops: locations, hours of operation, and sale of nitrous oxide.	03/24/2026	Support	06/08/2026 - Assembly Health

*Two year bills that have been gut-and-amended have been removed.

Federal Legislation

As of Thursday, June 18, 2026

Measure	Author	Topic	Date of Board Action	Board Position	Status
<u>H.R. 965</u>	<u>Sherman</u>	Housing Unhoused Disabled Veterans Act	05/20/2025	Support	Senate Committee on Banking, Housing, and Urban Affairs
<u>H.R. 1012</u>	<u>Levin</u>	Spent Fuel Prioritization Act of 2025	05/20/2025	Support	House Committee on Energy and Commerce
<u>H.R. 2483</u>	<u>Guthrie</u>	SUPPORT for Patients and Communities Reauthorization Act of 2025	06/24/2025	Support	Became Law
<u>H.R. 5462</u>	<u>Goldman</u>	The Michelle Alyssa Go Act	03/24/2026	Support	House Committee on Energy and Commerce
<u>H.R. 8023</u>	<u>Sanchez</u>	The Child Care Supply Tax Credit Act.	05/19/2026	Support	House Committee on Ways and Means
<u>S. 1462</u>	<u>Curtis</u>	Fix Our Forests Act	09/23/2025	Support	Senate Committee on Agriculture, Nutrition, and Forestry
<u>S. 2212</u>	<u>Padilla</u>	Visible Identification Standards for Immigration-Based Law Enforcement (VISIBLE) Act of 2025	08/26/2025	Support	Senate Committee on the Judiciary

 Highlighted sections symbolize a status change.

2. Sacramento Legislative Report

Prepared by Precision Advocacy Group LLC

On June 15, the Assembly and Senate approved [AB 109](#), the legislature's main 2026-27 budget bill, and sent the legislature's budget plan to the governor. AB 109 reflects the primary budget bill components of the legislative plan, while additional prior-year budget amendments, budget bill junior measures, and trailer bills implementing statutory changes are now in print, with further action expected as negotiations continue through the end of the month.

A central theme of the plan is responding to federal cuts and uncertainty while maintaining reserves and adopting new revenues. The legislature adopts approximately \$5 billion in ongoing new revenues, including a federally compliant Managed Care Organization (MCO) tax, a new sales tax on electronically delivered prewritten software, and a permanent cap on business tax credits. It also establishes a "Fair Share from Big Corporations" framework requiring the Department of Finance to present options by March 1, 2027, to hold large employers accountable when their workers rely on Medi-Cal instead of employer-sponsored health coverage.

Several budget trailer bills implement the revenue and health care financing components of the plan. [SB 122/AB 122](#) and [SB 176/AB 176](#) contain major revenue provisions, including extending the sales and use tax to electronically delivered prewritten software beginning January 1, 2027; extending and making permanent business tax credit limitations; imposing a 10% tax on certain Anti-Vaporization Fund settlement payments; reducing the first-year minimum franchise tax for certain new LLCs, LPs, and LLPs from \$800 to \$400; and appropriating funding to the California Department of Tax and Fee Administration for implementation. [SB 125/AB 125](#) implements the MCO tax component of the budget by creating a federally compliant MCO provider tax for 2027 through 2029, depositing revenues into the Medi-Cal Stability Fund, and directing funds to support Medi-Cal administrative costs, federally required payments, and program support.

Health and Human Services. On health and human services, the legislature's plan rejects several of the governor's proposed reductions and delays others. It rejects proposed In-Home Supportive Services (IHSS) cuts, delays Medi-Cal dental and clinic reductions until July 2027, maintains full-scope Medi-Cal for certain immigrant populations through 2026-27, delays changes to Medi-Cal premiums, and preserves the current Medi-Cal asset test in 2026-27 before lowering it in 2027-28 to \$21,000, far above the governor's proposed \$2,000 limit. The plan also provides additional funding for county Medi-Cal and CalFresh workload tied to H.R. 1, supports food banks through CalFood, expands immigration legal services, and rejects the proposed Adult Protective Services reduction.

For Orange County, the county workload and safety-net components are particularly important given the expected administrative and service delivery impacts of federal changes. The plan includes support for county administration, public hospitals, distressed hospitals, and indigent care programs, all of which are intended to help local governments absorb the fallout from potential Medi-Cal coverage losses and increased pressure on county health systems.

Senator Catherine Blakespear highlighted the importance of the plan's \$125 million allocation for county indigent care, describing it as a critical investment to help strengthen California's health care safety net and ensure people who lose Medi-Cal coverage can still access life-saving care. Senator Bob Archuleta similarly framed the budget as a statewide response to basic local needs, stating, "You can't tell me that in Orange County there isn't a need as well as South Central, as well as parts of San Diego. It is across the state. This budget reflects that."

Housing and Homelessness. The plan also makes significant housing and homelessness investments. It provides \$900 million for Homeless Housing, Assistance, and Prevention (HHAP) Program Round 7, which is \$400 million above the governor's May Revision, along with \$700 million

for affordable housing, including \$500 million for the Low-Income Housing Tax Credit and \$200 million for the Multifamily Housing Program. It also includes \$100 million for housing stability programs and anticipates continued work on a November 2026 housing bond.

Assemblymember Sharon Quirk-Silva framed the budget around what she described as core governmental responsibilities – housing, health care, and human services. On the Assembly floor, she said, “We know that people need homes that they can afford, they need access to healthcare, and we know that part of our job is when people get knocked is to help them stand back up.” She also defended the budget’s balance between fiscal restraint and support for vulnerable Californians, saying, “California has never moved forward by choosing between fiscal discipline and compassion. We move forward when we insist on both.”

Senator Blakespear supported the \$900 million HHAP allocation but raised concerns about the lack of longer-term funding certainty. She said, “I’m supportive of funding at least \$900 million for round seven of HHAP. These resources will help local governments move people off the streets and into housing. \$1 billion would be better.” She also warned that the absence of a commitment to fund HHAP Round 8 and the lack of encampment resolution funding could make it harder for cities and counties to sustain progress, adding that “counties and cities need predictability if we expect them to build long-term homelessness strategies.”

Public Safety and Courts. On public safety and the courts, the plan provides funding for Proposition 36 implementation, Victims of Crime Act backfill, rehabilitation programs, nonprofit security grants, Missing and Murdered Indigenous People grants, Court Appointed Special Advocates, human trafficking prosecution and victim services, and the RIGHT Grant to support nonprofit community-based rehabilitative programming. It also includes major judiciary investments, including \$400 million in 2026-27 for courthouse maintenance and construction and \$44 million ongoing for new judgeships.

However, Proposition 36 funding remains a point of disagreement among members, including several from Orange County. Senator Blakespear raised concern about the reduction in Prop 36 funding from \$100 million to \$50 million, saying, “Californians voted for this measure expecting results. Local agencies have expressed concern that demand is exceeding available resources, which is resulting in cost shifts for local governments.”

Assemblymember Diane Dixon was more direct in her opposition to the plan, noting that Proposition 36 passed statewide with 68% support and “in Orange County, it succeeded with more than 74% of the residents voting in support.” She argued that “Proposition 36 cannot work without funding,” and warned that “one way to kill a proposition is simply don’t fund it.” Dixon added that voters were clear that “repeat theft offenders should face meaningful consequences, and the cycle of endless consequence-free theft needs to end.”

Senator Tony Strickland also criticized the plan’s public safety funding, arguing that the budget does not provide “proper funding for Proposition 36 that passed all 58 counties.” He tied that concern to a broader critique of state spending, saying, “California doesn’t have a revenue problem, it does have a wasteful spending problem, an addiction to spending problem.”

Schools, Childcare, and Higher Education. For schools and childcare, the legislature’s plan provides roughly \$2.7 billion more for schools and community colleges across 2025-26 and 2026-27 compared to the governor’s May Revision, while committing to work on a schedule to address \$3.9 billion in Proposition 98 obligations. It invests in special education, community schools, career technical education, teacher recruitment and retention, paid pregnancy leave for educators, community college enrollment growth, UC and CSU funding, and Cal Grant access. The plan also protects 6,800 childcare slots proposed for elimination and adds 22,770 new childcare slots in 2026-27.

Even with those investments, some Orange County members raised concerns about the plan's treatment of Proposition 98. Assemblymember Laurie Davies opposed AB 109, arguing that the budget "uses clever accounting to hide a massive education deficit." She warned that when the state pulls billions from the education system, "it disappears from reading programs, mental health counselors, and our classes."

Revenues, Business Taxes, and the Innovation Economy. The revenue side of the budget remains one of the most politically sensitive pieces of the plan. The legislature accepts major revenue proposals, including the MCO tax, taxation of electronically delivered prewritten software, and permanent business tax credit limitations. These proposals are intended to support Medi-Cal and other core budget commitments, but they have also drawn concern from members worried about affordability, business competitiveness, and California's long-term revenue base.

Assemblymember Cottie Petrie-Norris acknowledged the difficult choices reflected in the legislative budget but raised concerns about making the cap on business tax incentives permanent, particularly with respect to research and development incentives. She cautioned against undermining the sectors that drive California's revenue strength, noting that California's innovation economy is "the envy of the world" and one of the reasons the state is the fourth-largest economy in the world.

Senator Steven Choi opposed AB 109 on affordability and tax grounds, saying, "Californians want to see real relief and a legislature that is responsible for the tax dollars they already pay to this state government." He argued that the budget relies on tax increases and singled out the MCO tax on Medicare and commercial health plans, which he said would increase costs for "everyday people and businesses." Choi also criticized the state's failure to pay down unemployment insurance debt and said the plan does too little to address affordability and public safety.

Climate, Wildfire, Transit, and Infrastructure. Climate, wildfire, transit, and infrastructure issues remain only partly resolved. The plan includes Greenhouse Gas Reduction Fund (GGRF) support for CalFire and protects continuously appropriated wildfire prevention funds, but several major GGRF and Proposition 4 bond decisions are left for later negotiations. The plan also advances Rainy Day Fund reform through a proposed constitutional amendment intended to allow the state to build larger reserves in strong revenue years.

On transit, Senator Blakespear supported the proposed allocation of \$418 million for the Transit and Intercity Rail Capital Program and \$814 million for the State and Federal Mass Transit Program using GGRF funds. However, she also argued that the broader GGRF allocation discussion should be reopened, reflecting continued concern over how the state balances transit, climate, wildfire, and other infrastructure commitments.

Legislative Analyst's Office Overview. The Legislative Analyst's Office (LAO's) [overview](#) explains that the legislature's 2026-27 budget plan assumes more available General Fund resources than the governor's May Revision, primarily from \$5.5 billion in higher assumed revenues and a roughly \$2 billion reduction in the planned Temporary Surplus Holding Account transfer, creating about \$8 billion in additional resources. The legislature uses those resources to reject proposed cuts and make new temporary investments, while leaving the overall reserve picture largely similar to the May Revision. Under the plan, total reserves would be about \$19.6 billion in 2026-27, including \$15.1 billion in the Budget Stabilization Account and \$4.5 billion in the Special Fund for Economic Uncertainties.

Major differences from the governor's May Revision include increased Proposition 98 funding for schools and community colleges, additional childcare slots, rejection or delay of several Medi-Cal reductions, and added support for counties, indigent health care programs, public hospitals, and distressed hospitals to help address impacts from H.R. 1. The legislature also rejects many proposed human services reductions, including cuts to IHSS and Adult Protective Services, and provides targeted one-time funding for county administration, food banks, and immigration services.

For housing and homelessness, the plan provides additional funding for the Multifamily Housing Program, the Low-Income Housing Tax Credit program, HHAP, and homelessness programs administered by the Department of Social Services. For courts and criminal justice, it includes \$3 billion in lease revenue bond authority and one-time funding for courthouse and courtroom construction and deferred maintenance, while also including an unallocated reduction to CDCR and requiring closure of an additional prison.

Ballot Calendar and End-of-Month Negotiations. June 25 is the last day for the legislature to adopt a measure for the November 2026 statewide ballot and the last day for initiative proponents to withdraw a measure from that ballot. As a result, budget decisions around taxes, revenue, health care financing, reserve reform, and other major policy commitments may unfold alongside decisions about which fiscal and policy questions are ultimately placed before voters.

Legislative leaders will continue negotiations with the governor before the final budget is enacted, likely on about June 30, with unresolved issues likely to continue through follow-up budget and trailer bill actions.

Upcoming Hearings

Agendas are typically posted on the committee websites in the [Assembly](#) and [Senate](#) a few days prior to the hearings. To view hearings after they take place, you may access them in the [Assembly](#) or [Senate](#) media archives where they are generally available within a few hours of committee adjournment.

Monday, June 22, 2026, 2:30 p.m.

Assembly Emergency Management

State Capitol, Room 127

Informational Hearing: Fire Apparatus Costs: Prices, Delays, and Adverse Impacts to Communities

Grant Opportunities

Below is a list of the latest grant opportunities released by the state. All opportunities for local jurisdictions may be found [here](#).

Application Deadline: 7/30/26 00:00

Title: [CAL FIRE Forest Health Research Program \(FY 2026-27\) Proposition 4 California Climate Bond Grants \(RP-RFP-2026-03\)](#)

State Agency / Department: [Department of Forestry and Fire Protection](#)

Match Funding? No

Estimated Total Funding: \$3,000,000

Funding Method: Advances & Reimbursement(s)

Application Deadline: 7/30/26 00:00

Title: [CAL FIRE Forest Health Research Program \(FY 2026-27\) California Climate Investments Grants \(RP-RFP-2026-01\)](#)

State Agency / Department: [Department of Forestry and Fire Protection](#)

Match Funding? No

Estimated Total Funding: \$4,000,000

Funding Method: Advances & Reimbursement(s)

Application Deadline: 7/17/26 16:00

Title: [Upland Game Bird Account Grant](#)

State Agency / Department: [Department of Fish and Wildlife](#)

Match Funding? No
Estimated Total Funding: \$300,000
Funding Method: Reimbursement(s)

Expected Award Announcement: January 2027

Title: [Beverage Container Recycling Grant Program \(Fiscal Years 2026-27 and 2027-28\)](#)

State Agency / Department: [Department of Resources Recycling and Recovery](#)

Match Funding? No

Estimated Total Funding: \$1,500,000

Funding Method: Advances & Reimbursement(s)

Governor's Press Releases

Below is a list of the governor's press releases beginning June 10.

June 17: [Acting Governor Monique Limón signs legislation 6.17.26](#)

June 17: [California's Career Passport to connect qualified workers to employment, with or without a four-year degree](#)

June 17: [Governor Newsom announces special free pass to California's state historic parks in honor of Juneteenth and America's 250th anniversary](#)

June 17: [El Gobernador Newsom anuncia un pase gratuito especial para los parques históricos estatales de California en conmemoración de Juneteenth y del 250º aniversario de la nación.](#)

June 16: [Governor Newsom honors public safety officers and state employees for exceptional bravery](#)

June 16: [Trump's own DOJ confirms Governor Gavin Newsom is right](#)

June 16: [Governor Newsom calls out Trump's weaponized DOJ as President rewards his criminal cronies with pardons](#)

June 15: [Governor Newsom demands records from Trump's DOJ about politically motivated investigation](#)

June 15: [Governor Gavin Newsom Statement on Donald Trump's Weaponized DOJ Investigation](#)

June 15: [Over 3 months later: Donald Trump's Iran war continues to drain American wallets](#)

June 15: [Governor Newsom and First Partner Siebel Newsom highlight California's contributions to the America250 time capsule](#)

June 12: [Governor Newsom proclaims Immigrant Heritage Month](#)

June 12: [80 candles, one costly record: Trump's legacy of waste and chaos](#)

June 12: [Governor, First Partner statement on the passing of David Hockney](#)

June 11: [Governor Newsom convenes tech industry leaders to advance government efficiency and effectiveness](#)

June 11: [While Trump drags his feet, Governor Newsom delivers \\$46M to help address the federally managed water crisis at the border](#)

June 10: [Governor Newsom proclaims California State Parks Week](#)

3. Washington D.C. Legislative Report

Prepared by Townsend Public Affairs

The House was out of session this week and the President was abroad for the G7 conference. The Senate was in session working on the President's nominees, a spy powers reauthorization, and a housing bill.

LEGISLATIVE BRANCH ACTIVITY

Senate Again Delays Appropriations Markups, Leading to Increased Shutdown Potential

With the House out of session, the Senate was anticipated to make progress on their process for drafting the Fiscal Year 2027 (FY27) appropriations bills, but ultimately further delayed markups over disputes on topline spending numbers.

As appropriations bills require 60 votes to pass in the Senate, the Senate Appropriations Committee generally produces more bipartisan drafts than the House with higher funding levels across all accounts. Chairwoman Susan Collins and Ranking Member Patty Murray are reportedly still negotiating over subcommittee allocations and a complete topline for non-defense discretionary spending. Generally, appropriators have followed a Biden-era framework of making no more than 3% changes to accounts overall, and rough parity between increases in defense and non-defense spending. The Administration requested a \$1.5 trillion dollar spending package for the Pentagon, a 46% increase that is complicating negotiations.

Given the increasingly severe delays, the odds of a government shutdown or need for a continuing resolution (CR) at the end of the fiscal year in September are increasing. There is historical precedent for the Senate skipping markups and starting negotiations using the House drafts as a framework, though that seems unlikely given the tension between the Senate Majority and Minority. Chairwoman Susan Collins could also release draft bills on her own, without Democratic support, but those drafts would be unlikely to receive consideration on the Senate floor.

Senate Banking Committee Releases Updated Housing Policy Package Draft

On June 17, the Senate Committee on Banking, Housing, and Urban Affairs [released](#) a compromise [agreement](#) on the major housing policy package, [HR 6644](#), the 21st Century ROAD to Housing Act. The compromise agreement has the backing of Congressional leadership and the Chair and Ranking Member on the House Committee on Financial Services. If passed, it would represent the largest shift in housing policy in over three decades.

The bill would allow Community Development Block Grant (CDBG) funding to be used for affordable housing development, reauthorize the HOME Investment Partnership Program, create waivers for caps on Emergency Solutions Grant (ESG) funding, allow community banks to assume higher amounts of Federal Housing Authority (FHA) backed mortgage debt, exempt certain projects from National Environmental Policy Act (NEPA) reviews and labor standards, and enact a prohibition on institutional investors owning large numbers of single family homes.

While the bill would create new programs, it contains no advance appropriations, and would need to be funded via the appropriations process. The proposal [maintains](#) much of the Senate's original ROAD to Housing act released in July of last year, preserves the bipartisan housing program changes from the Housing for the 21st Century Act, nine of the 11 House community banking bills, and language to

ban large institutional investors from buying single-family homes. The Senate [scheduled](#) the amended bill for consideration on June 18.

Confirmation Hearings for OMB Nominee Address OMB Proposed Rule Increasing Administration Control Over All Federal Grants

On June 16 and 17, the Senate Committee on the Budget [held](#) and the Senate Committee on Homeland Security and Government Affairs [held](#) hearings to consider the nomination of Hal Duncan to be Deputy Director of the White House Office of Management and Budget (OMB).

OMB is the centralized entity responsible for the execution of the 12 appropriations bills passed by Congress, and oversees federal grant administration for the Executive Branch. It is also the entity responsible for managing apportionment, the process of actually withdrawing funds from the Treasury of the United States in accordance with those bills.

OMB recently published a [proposed rule](#) changing the governance structure for all federal grants, including both discretionary/competitive and formula/entitlement funding, consolidating the Administration and its political appointee's direct control over the disbursement of federal funding by providing new authorities under which to terminate, delay, or withhold federal funding before and after awards are made.

California Senator Alex Padilla, a member of the Budget Committee, [asked](#) the nominee questions regarding the implementation of this rule, stating it would unduly increase the ability of the President to inject political considerations into federal grantmaking and circumnavigate the appropriations process and Congressional intent.

EXECUTIVE BRANCH ACTIVITY

EPA Transmits Additional Emissions Waivers to Congress for Review

On June 12, the Environmental Protection Agency (EPA) [announced](#) the transmission of four Clean Air Act (CAA) preemptive waivers for the State of California to Congress for review under the Congressional Review Act (CRA), which allows Congress to reject an agency regulation. The California Department of Justice (CalDOJ) has been in [litigation](#) with the EPA and Department of Justice (DOJ) regarding the EPA and Congress' ability to deny these waivers, which [allow](#) California to impose higher air quality standards than the CAA, without changing the underlying law.

Last year, the Supreme Court [allowed](#) the litigation to proceed, and the CRA disapprovals from Congress to stand, leaving the status of the preemptive waivers unclear. The four rules would allow California to impose vehicle emissions standards higher than the federal level, including small offroad engines (SORE) such as lawn and garden equipment, and overall Greenhouse Gas Emissions Standards for vehicle manufacturers.

It is likely Congress will consider the CRA disapprovals, and ultimately pass them for the President's signature. Litigation is expected to resolve before the end of the calendar year.

HUD to Propose New Definition of Manufactured Home

On June 12, the Department of Housing and Urban Development (HUD) [announced](#) a new Notice of Proposed Rulemaking [announced](#) a new [Notice of Proposed Rulemaking](#) (NPRM) to revise the definition of "manufactured home." Manufactured homes generally [trigger](#) additional federal regulations

to site under [42 USC 5401](#), including the requirement to have a permanent chassis for transportation of the home once constructed.

Under the NPRM, a manufactured home would only be required to have a permanent chassis in the “lowest transportable section” of the home, allowing a second story and eligibility for certain Federal Housing Authority (FHA) loans that are confined by statute.

Additionally, [HR 6644](#), the 21st Century ROAD to Housing Act, due for consideration in the Senate on June 18, would revise the definition of manufactured home to eliminate the requirement for a permanent chassis. The goal of both provisions is to allow manufactured housing to comply with local building codes in place of HUD regulations, and allow for greater variation in manufactured home building and siting, as the majority of manufactured homes are not moved once installed.

Orange County Delegation Press Releases

- Rep. Mike Levin – June 12, 2026: [Rep. Mike Levin and Colleagues Demand ICE Reverse New Restrictions on Oversight Visits to Detention Facilities](#)
- Rep. Lou Correa – June 11, 2026: [Correa Again Votes Against FISA Extension](#)
- Rep. Dave Min – June 11, 2026: [Rep. Min Recognizes Orange County's Radiant Health Centers on the House Floor in Honor of Pride Month](#)
- Rep. Dave Min – June 10, 2026: [House Passes Representative Min's Bipartisan Taxpayer Funds Oversight and Accountability Act](#)
- Rep. Derek Tran – June 12, 2026: [Representatives Tran, Lofgren Lead California Delegation Slamming Amendment Shielding Rideshare Companies from Liability](#)
- Rep. Derek Tran – June 11, 2026: [Representative Derek Tran Announces SBA Disaster Declaration in Response to the Garden Grove Hazmat Incident](#)
- Rep. Linda Sanchez – June 11, 2026: [Sánchez Introduces Bill to Strengthen Social Security, Help Retirees with Rising Costs](#)
- Sen. Alex Padilla – June 16, 2026: [WATCH: Padilla Warns Trump Is Trying to Interfere in Midterm Elections, Urges Officials to Prepare for Worst-Case Scenarios](#)
- Sen. Alex Padilla – June 16, 2026: [WATCH: Padilla, Schumer, Senate Democrats Convene Election Security Experts to Respond to Trump 2.0 Chaos](#)
- Sen. Alex Padilla – June 16, 2026: [Padilla, Welch Introduce Legislation to Repeal Trump Deportation Provision Targeting First Amendment Right to Free Speech](#)
- Sen. Alex Padilla – June 16, 2026: [WATCH: Padilla Delivers Remarks to Commemorate DACA's 14th Anniversary](#)
- Sen. Alex Padilla – June 12, 2026: [Padilla, Durbin, Congressional Democrats Object to DOJ Decision Weakening Legal Protections for DACA Recipients](#)
- Sen. Alex Padilla – June 12, 2026: [WATCH: Padilla Advocates for Oversight, Modernizing Immigration System on the One-Year Anniversary of Being Tackled, Handcuffed by DHS Agents](#)
- Sen. Alex Padilla – June 12, 2026: [Padilla, Merkley Seek New Election Safeguards Amid Growing Misuse of AI to Suppress Voting and Spread Misinformation](#)
- Sen. Alex Padilla – June 11, 2026: [WATCH: One Year After DHS Incident, Padilla Says Oversight Matters More Than Ever](#)
- Sen. Alex Padilla – June 11, 2026: [Padilla, Klobuchar, Luján, Slotkin, Heinrich, Colleagues Urge USDA to Address New World Screwworm Outbreak](#)
- Sen. Alex Padilla – June 11, 2026: [Padilla, Schiff Introduce Legislation to Hold Big Oil Accountable, Establish Strict Standards for Offshore Operators](#)

- Sen. Alex Padilla – June 10, 2026: [WATCH: Padilla Slams Republican Efforts to Undermine Forest Conservation and Block Firefighter Benefits](#)
- Sen. Alex Padilla – June 10, 2026: [Padilla, Warner, Peters Demand Answers on Election Security Preparations Ahead of 2026 Midterms](#)
- Sen. Adam Schiff – June 16, 2026: [WATCH: For Eighth Time, Senate Blocks Attempt by Sen. Schiff, Colleagues to End Trump's Illegal War in Iran](#)
- Sen. Adam Schiff – June 16, 2026: [NEWS: Sen. Schiff Leads Probe of Binance Routing Funds to Iran-Backed Proxy Groups, Raises Conflict of Interest from Trump Ties](#)
- Sen. Adam Schiff – June 15, 2026: [WATCH: Sen. Schiff Underscores Need for an Experienced Director of National Intelligence, Slams Trump's Latest Abuse of Justice Department](#)
- Sen. Adam Schiff – June 15, 2026: [WATCH: On Senate Floor, Sen. Schiff Delivers Remarks Honoring 14th Anniversary of DACA](#)
- Sen. Adam Schiff – June 15, 2026: [NEWS: During Pride Month, Sens. Schiff, Padilla Join Kaine, Baldwin in Resolution Apologizing for Government Discrimination Against LGBT Civil Servants, Servicemembers](#)
- Sen. Adam Schiff – June 15, 2026: [NEWS: Senator Schiff Wins "Best of Constituent Service" Award for Outstanding Casework and Outreach, \\$10 Million in Taxpayer Dollars Returned Directly to Californians](#)
- Sen. Adam Schiff – June 12, 2026: [WATCH: Trump Claims of Iran Deal to End War "Lacks a lot of Credibility" Schiff Says on CNN](#)
- Sen. Adam Schiff – June 12, 2026: [NEWS: Sen. Schiff Leads 21 Colleagues in Demanding Administration Release \\$160 Million in Transportation Funding for California, Reverse Strict Restrictions on California Truck Drivers](#)
- Sen. Adam Schiff – June 12, 2026: [NEWS: 1,500+ Mayors Endorse Senator Schiff's Proposals to Address Housing Crisis, Lower Risk to Homes from Wildfires and Floods](#)
- Sen. Adam Schiff – June 11, 2026: [WATCH: "It Doesn't Solve the Pulte Problem:" Sen. Schiff Reacts to Trump's Nomination of Clayton as Director of National Intelligence on ABC News Live](#)
- Sen. Adam Schiff – June 11, 2026: [STATEMENT: Sen. Schiff on President Trump's Nomination of Jay Clayton as Director of National Intelligence](#)
- Sen. Adam Schiff – June 11, 2026: [NEWS: Sens. Schiff, Warren Lead Senators in Pressing Trump Admin for Answers on U.S. Army Plant Ammunitions Linked to Mass Shootings, Mexico Cartel Violence](#)
- Sen. Adam Schiff – June 11, 2026: [WATCH: 'There is No Ceasefire' – Sen. Schiff Calls Out Trump's 'Absurd' Iran Argument, Slams Bill Essayli's Abuse of U.S. Attorney's Office on MS NOW](#)
- Sen. Adam Schiff – June 10, 2026: [WATCH: Sen. Schiff Presses Secretary of Agriculture on Increasing Support for Specialty Crop Farmers](#)
- Sen. Adam Schiff – June 10, 2026: [NEWS: Sens. Schiff, Padilla Introduce Legislation to Hold Big Oil Accountable, Establish Strict Standards for Offshore Operators](#)

Legislation Introduced by the Orange County Delegation

Bill Number	Bill Title	Introduction Date	Sponsor	Bill Description	Latest Major Action
H.R. 9296	Strengthening Social Security Act	06/11/26	Linda Sanchez (D-CA-38)	To improve the retirement security of United States families by strengthening Social Security.	Referred to the Committee on Ways and Means, and in addition to the Committee on Education and Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. 6/11/2026

If you or your staff have any questions or require additional information on any of the items in this bulletin, please contact Peter DeMarco at 714-834-5777.