



Legislative Bulletin

DRAFT

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Item No. 18

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 October 27, 2026, the Board of Supervisors will consider the following actions:

RECOMMENDED ACTIONS

1. **Receive and File Legislative Bulletin**

INFORMATIONAL ITEMS

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

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, October 22, 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	09/20/2026 - Chaptered
<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	07/16/2026 - Chaptered
<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	08/31/2026 - Dead
<u>AB 760</u>	<u>Ta</u>	Income taxes: exclusions: 2026 Garden Grove chemical leak.	06/23/2026	Support	09/27/2026 - Vetoed
<u>AB 762</u>	<u>Irwin</u>	Disposable, battery-embedded vapor inhalation device: prohibition and penalties.	04/22/2025	Support	09/28/2026 - Chaptered
<u>AB 1088</u>	<u>Bains</u>	Public health: kratom.	06/24/2025	Support	07/01/2026 - Dead
<u>AB 1567</u>	<u>Ta</u>	General plan: annual report: congregate and residential care for the elderly.	03/24/2026	Support	09/27/2026 - Vetoed
<u>AB 1602</u>	<u>Rubio, Blanca</u>	Foster youth: disaster aid assistance.	03/24/2026	Support	09/20/2026 - Vetoed
<u>AB 1617</u>	<u>Alanis</u>	Household hazardous waste: reporting.	08/11/2026	Support	09/14/2026 - Chaptered
<u>AB 1619</u>	<u>Valencia</u>	Public employees' retirement: administration.	05/19/2026	Support	09/27/2026 - Chaptered
<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	08/31/2026 - Dead
<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	08/14/2026 - Dead

<u>AB 2051</u>	<u>Wicks</u>	Public resources: coastal resources: Coastal Resilience Permitting Working Group.	08/11/2026	Support	09/27/2026 - Chaptered
<u>AB 2076</u>	<u>Lowenthal</u>	The Parent's Accountability and Child Protection Act: online marketplaces: nitrous oxide.	03/24/2026	Support	09/30/2026 - Chaptered
<u>AB 2194</u>	<u>Valencia</u>	Medi-Cal: special commissions.	06/23/2026	No Position	09/27/2026 - Chaptered
<u>AB 2309</u>	<u>Bains</u>	CalFresh Protection Act.	04/14/2026	Support	08/31/2026 - Dead
<u>AB 2320</u>	<u>Ta</u>	Multifamily Housing Program: Homekey: adaptive reuse.	12/16/2025	Sponsor	09/30/2026 - Chaptered
<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	09/29/2026 - Chaptered
<u>AB 2562</u>	<u>Dixon</u>	Alcohol or other drug recovery and treatment programs and facilities: suicide prevention.	04/14/2026	Support	09/27/2026 - Chaptered
<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 28</u>	<u>Umberg</u>	Community Assistance, Recovery, and Empowerment (CARE) court program.	08/11/2026	Oppose	08/14/2026 - Dead
<u>SB 296</u>	<u>Archuleta</u>	Property taxation: exemption: disabled veteran homeowners.	03/25/2025	Support	09/28/2026 - Chaptered
<u>SB 329</u>	<u>Blakespear</u>	Alcohol and drug recovery: licensed treatment facilities and certified programs: investigations.	03/25/2025	Support	09/27/2026 - Chaptered
<u>SB 417</u>	<u>Limón</u>	The Veterans and Affordable Housing Bond Act of 2026.	04/28/2026	Support if Amended	06/25/2026 - Chaptered
<u>SB 577</u>	<u>Laird</u>	Public entities.	08/25/2025	Support	09/30/2026 - Chaptered
<u>SB 758</u>	<u>Umberg</u>	Public health: nitrous oxide.	01/13/2026	Sponsor	09/30/2026 - Chaptered
<u>SB 888</u>	<u>Seyarto</u>	Property taxation: disabled veterans' exemption: household income.	03/24/2026	Support	08/31/2026 - Dead
<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	09/25/2026 - Chaptered
<u>SB 936</u>	<u>Blakespear</u>	Nitrous oxide: sales.	12/16/2025	Sponsor	09/18/2026 - Chaptered

<u>SB 1040</u>	<u>Choi</u>	Veterans Cemetery Maintenance-Endowment Match Act.	04/14/2026	Support	05/14/2026 - Dead
<u>SB 1087</u>	<u>Cabaldon</u>	Transportation planning: sustainable communities strategies: transportation funding programs.	08/25/2026	Oppose Unless Amended	09/30/2026 - Chaptered
<u>SB 1167</u>	<u>Blakespear</u>	Vehicles: electric bicycles.	04/28/2026	Support	09/30/2026 - Chaptered
<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>	Cigarette or tobacco product retailers: new retail locations and sale of nitrous oxide.	03/24/2026	Support	08/14/2026 - Dead

Federal Legislation

As of Thursday, October 22, 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

This week's Sacramento update covers two legislative hearings with implications for Orange County, stronger-than-expected September state revenues, and a new State Auditor report examining Medi-Cal provider payment oversight. The hearings focused on cultural programming for the 2028 Olympic and Paralympic Games and California's efforts to expand electric vehicle adoption amid federal policy changes. For Orange County, the discussions raised questions about opportunities for local arts organizations to participate in the Cultural Olympiad, funding for charging infrastructure, and the costs of transitioning public agency fleets to zero-emission vehicles.

On the fiscal side, September revenues exceeded state budget projections by nearly \$3 billion, although higher-than-anticipated spending and uncertainty about future collections remain concerns as the state prepares for the 2027 budget. Separately, the State Auditor identified weaknesses in the Department of Health Care Services' oversight of Medi-Cal provider payments. While the findings do not identify problems involving Orange County or CalOptima Health, they are relevant to the County's efforts to protect Medi-Cal funding as federal changes under H.R. 1 place additional pressure on health care programs and the local safety net.

Legislative Hearing: Cultural Olympiad and Planning for the 2028 Olympic Games

On October 14, the Senate Special Committee on International Sporting Events and the Joint Committee on the Arts held a joint hearing on cultural programming for the 2028 Olympic and Paralympic Games. LA28, the City and County of Los Angeles, arts organizations, and researchers discussed how the Games could support local artists, cultural institutions, and community events.

LA28 presented several initiatives under development, including an official Cultural Olympiad designation for participating arts and community organizations, free film screenings, commissioned artwork, and a regional calendar advancing cultural events. Applications for the official designation are expected to open in early 2027. LA28 also discussed its planned Culture for All program, which would help organizations reduce or eliminate admission fees without absorbing the full cost.

Much of the discussion focused on funding and how smaller arts organizations would benefit from the Games. Legislators questioned whether the Cultural Olympiad would provide meaningful financial support for local programming or largely promote activities already underway. The City of Los Angeles has identified \$15 million from its existing cultural affairs budget for its cultural programming framework, but LA28 has not finalized its overall Cultural Olympiad budget or explained how it would distribute funding among participating organizations.

The hearing is relevant to Orange County, which will host indoor volleyball at the Honda Center in Anaheim and surfing at Trestles near San Clemente. LA28 intends to include cultural programming throughout the greater region, including Olympic venue cities, which could give Orange County museums, performing arts organizations, community festivals, and other cultural institutions opportunities to participate in officially recognized events and reach Olympic visitors.

[Research](#) presented at the hearing also cautioned about the expected tourism benefits. A UCLA study examining previous Olympic Games found that increased visitor traffic does not necessarily lead to higher museum attendance. Visitors regularly prioritize sporting events, while regular tourism can decline because of congestion, travel costs, and other disruptions. Affordable, convenient programs located near competition venues or established visitor areas may be more successful.

For Orange County, the next step is to determine how local organizations can participate and whether funding will be available outside Los Angeles County. The County could work with Arts Orange

County, Anaheim, San Clemente, and other local partners to identify existing festivals, performances, exhibitions, and public events for possible inclusion in the Cultural Olympiad. The County could also coordinate with OC Parks and OC Public Libraries to reach residents throughout the County.

As planning continues into 2027, the County may want to seek more information from LA28 about eligibility for the Cultural Olympiad designation, the Culture for All initiative, and opportunities for regional programming. The County may also want to prepare for arts funding and Games-related discussions in next year's budget and policy process, although the hearing produced no new state funding commitments.

Assembly Hearing on Electric Vehicle Deployment in California

The Joint Legislative Committee on Climate Change Policies and Assembly Select Committee on Electric Vehicles and Charging Infrastructure held an informational hearing on electric vehicle deployment in California earlier this week. Assemblymembers Jacqui Irwin (D-Thousand Oaks) and Pilar Schiavo (D-Santa Clarita) chaired the hearing, and Senator Henry Stern (D-Sherman Oaks) attended. The hearing was held in Los Angeles and included two panels of academics, industry representatives, and state regulators.

Major themes included changes to federal policy and incentives for electric vehicles (EVs), emissions standards, and charging infrastructure; the need for more reliable and affordable charging stations statewide; and state incentive programs for both passenger and heavy-duty electric vehicles. Panelists also discussed challenges facing local governments and public agencies as they transition their vehicle fleets to zero-emission technology.

CARB Response to LA Times Reporting on Heavy-Duty Truck Program. In his testimony, Christopher Grundler, Deputy Executive Officer of Mobile Sources and Incentives at the California Air Resources Board (CARB), responded to recent LA Times reporting on the heavy-duty truck EV incentive program, which criticized the program's oversight.

He noted that the report failed to disclose that CARB itself had uncovered the alleged wrongdoing through its existing oversight procedures. He highlighted that the program has put over 16,000 clean trucks on California roads, most of them EVs, which have collectively traveled more than 340 million miles and are delivering clean air benefits in impacted communities. Grundler also noted that 93% of the vehicles funded through the program were produced by manufacturers that remain in business.

Federal Policy and Incentives. Recent federal changes ending tax credits for new and used EVs, along with pending federal legislation and legal challenges aimed at limiting California's authority to enforce stricter vehicle emissions and zero-emission vehicle (ZEV) standards, have major implications for California's EV market and air quality. Those implications were front and center at the hearing.

Nearly all the panelists and legislators acknowledged the difficulties created by federal actions opposing California's policies. Grundler described the state's system of complementary regulations, incentives, and infrastructure investments, and the need to continue those efforts. He criticized federal actions challenging California's Clean Air Act waivers, saying they create uncertainty for consumers and manufacturers. While he believes demand for ZEVs remains strong, he said manufacturers may reduce production in response to the changing federal regulatory environment.

Grundler also noted that federal actions could make it more difficult for California to meet federal air quality standards, particularly in regions that already struggle with ozone and particulate pollution. Failure to meet those standards could put federal transportation funding at risk.

Electric Vehicle Charging Infrastructure. Legislators discussed their love of their own EVs but shared common concerns that consumers have about finding charging stations that are reliable, accessible, and affordable. The example of driving up and down Interstate 5 and having to recharge a vehicle several times with children in tow during the holidays came up several times. Panelists also described the difficulties low-income residents and rideshare drivers face when they lack access to charging stations near home.

Several panelists noted the inequality in the cost of charging an EV. One example compared a homeowner with solar panels who pays approximately 3 cents per kilowatt-hour to charge an EV with someone who must rely on public charging stations, where rates can reach 75 cents per kilowatt-hour. The implication is that middle- and upper-income residents who can charge at home may pay substantially less than lower-income residents who rely on public infrastructure. Some panelists called for additional regulation of public charging costs, arguing that charging an EV needs to remain less expensive than filling a vehicle with gasoline if consumers are going to make the transition.

In her testimony, Nancy Skinner, Lead Commissioner for Clean Transportation at the California Energy Commission (CEC), highlighted that ZEVs accounted for 19.1% of new vehicle sales in California during the third quarter of 2026, including 16.3% that were fully electric, compared with a 6.4% national battery-electric vehicle market share.

California also has 224,438 public and limited-access charging ports, including approximately 23,000 DC fast chargers. To meet the needs of an estimated 6.8 million EVs by 2030, the CEC recently revised its infrastructure projections to approximately 478,000 public and limited-access charging ports, along with 136,000 ports at multifamily housing properties.

Skinner noted private-sector progress under the new group IONNA. The group includes major car manufacturers, including General Motors, Toyota, Honda, and BMW, and plans to develop more than 175 new gas station-style charging locations. One flagship facility is expected to open in Westminster in November, offering DC fast charging, restrooms, and a convenience store.

Skinner said the CEC must strategically direct state funds toward areas where private investment is lacking, particularly multifamily housing. Older apartment buildings present additional challenges because they need electrical upgrades to accommodate charging infrastructure.

Panelists also raised concerns about delays in connecting new charging stations to the electrical grid. Although California has passed legislation to streamline permitting and set utility connection timelines, projects still face delays and unexpected costs. Representatives from Catalyst Mobility suggested greater coordination among state agencies, utilities, and charging providers to identify bottlenecks and speed up installation.

The CEC has also adopted charging station reliability requirements and is developing additional rules on payment options and customers' ability to use different charging networks.

In her testimony, Skinner also discussed hydrogen fuel vehicles and the potential need to redirect funding. She questioned whether continued investment in hydrogen fueling infrastructure is justified given the relatively small number of hydrogen vehicles on the road. She specifically referenced the 15% funding set-aside for hydrogen infrastructure under the Clean Transportation Program and suggested that the Legislature reconsider it.

State Incentive Programs. With federal incentives being pulled back, much of the discussion focused on state incentives and regulations to support both passenger EVs and heavy-duty trucks.

Skinner, along with several other panelists, applauded the My First EV program and encouraged legislators to continue funding it. Run by CARB, the program offers California residents a point-of-sale

incentive for first-time ZEV buyers to purchase or lease a new or used vehicle. The incentive is applied immediately at the time of purchase.

For manufacturers headquartered outside California, new vehicles must have an MSRP of \$50,000 or less. Used vehicles must have a purchase price of \$25,000 or less, be at least two model years older than the year of purchase, and be purchased as manufacturer-certified preowned vehicles. The price caps do not apply to California-headquartered ZEV manufacturers such as Rivian and Lucid.

The program is funded through a one-time \$135.5 million appropriation. CARB reported that nearly 12,000 incentives had been issued since the program launched in September. So far, most participants have purchased or leased new rather than used vehicles. There is no income eligibility requirement, although several panelists encouraged the state to improve access for lower-income buyers and expand opportunities to purchase used EVs.

Skinner also highlighted the state's new RIDE program, which provides incentives to help rideshare drivers purchase or lease electric vehicles. She encouraged legislators to continue supporting the program, especially given the number of miles Uber and Lyft drivers travel.

Craig Segall, Senior Advisor to the Federation of American Scientists, pointed to the recent diesel fuel pricing crisis and called for more state assistance to help fleets transition away from diesel. He discussed SB 1213 (Reyes), signed into law last month, as a first step toward improving price transparency and financing in the medium- and heavy-duty trucking sector.

Segall noted that zero-emission truck prices in California rose about 30%, while prices in Europe fell by a similar amount. He attributed part of that difference to limited price transparency and competition. He suggested that loan guarantees and other financing tools could help smaller trucking companies purchase electric trucks without relying entirely on additional state subsidies.

Panelists also discussed challenges facing public agencies required to transition their vehicle fleets to zero-emission technology. Assemblymember Schiavo raised concerns about the availability of heavy-duty electric vehicles that can perform specialized public works and emergency response functions, including vehicles that must operate for extended periods without access to charging infrastructure.

Grundler acknowledged those concerns and explained that CARB has provided additional flexibility under its state and local government fleet regulations, including exemptions when suitable zero-emission vehicles are not commercially available. He emphasized that CARB is continuing to evaluate the operational needs of public agencies as the regulations are implemented.

In his testimony, Chris Chavez, Deputy Policy Director at the Coalition for Clean Air, reminded the committee that transportation accounts for nearly 50% of California's greenhouse gas emissions, 80% of smog-forming pollution, and 95% of carcinogenic diesel particulate matter. Several legislators and panelists referenced the history of frequent smog alerts in Southern California and their desire not to return to those conditions.

Several issues discussed during the hearing are relevant to Orange County, particularly the cost of charging infrastructure, clean vehicle requirements for public fleets, and efforts to reduce emissions from trucks and freight transportation.

Public fleet requirements: The discussion of specialized vehicles and emergency response equipment is particularly relevant to the County's public works, maintenance, and emergency operations. CARB's acknowledgment that some equipment is not yet commercially available in a suitable zero-emission configuration gives the County an opportunity to continue documenting operational needs, vehicle availability, infrastructure limitations, and replacement costs as the state implements its fleet requirements.

Charging infrastructure: The emphasis on multifamily housing, affordable public charging, and utility connection delays is also relevant to Orange County. Future legislation and CEC funding decisions could create opportunities to expand charging access in underserved communities and reduce the costs of installing infrastructure at public facilities and multifamily properties. Panelists also encouraged the state to expand purchasing arrangements that would allow local governments to obtain vehicles and charging equipment at lower costs.

Freight emissions and air quality: The hearing included discussion of expanding indirect source rules to address pollution associated with warehouses, freight yards, and other facilities that generate substantial truck traffic. Orange County is within the South Coast Air Quality Management District, which already administers a warehouse indirect source rule. Additional state proposals in this area could affect businesses and freight operations within the County, particularly along major transportation corridors.

As the legislature prepares for 2027, Orange County may want to monitor proposals involving local government fleet requirements, funding for charging infrastructure, and further regulation of freight-related emissions. The County has an interest in ensuring that any additional vehicle mandates recognize the costs and operational requirements of local government fleets, particularly emergency response and specialized public works equipment.

September Revenues

The Department of Finance (DOF) and State Controller have released their September 2026 revenue reports, covering the third month of the 2026-27 fiscal year. Both reports show General Fund revenues exceeding projections in the 2026-27 Budget Act, with particularly high personal income and corporation tax collections.

Tax Revenue	DOF September	Controller September	DOF Fiscal YTD	Controller Fiscal YTD
Personal Income	+\$1.146 billion	+\$1.081 billion	+\$2.405 billion	+\$2.637 billion
Corporation	+\$1.302 billion	+\$1.384 billion	+\$1.794 billion	+\$1.975 billion
Sales and Use	+\$159 million	+\$156 million	+\$252 million	+\$262 million
Total Revenues	+\$2.932 billion	+\$2.688 billion	+\$4.663 billion	+\$5.066 billion

Notes: Amounts reflected above are as compared to the 2026-27 Budget Act projections. Fiscal year-to-date figures cover July 1 through September 30, 2026. The Controller's September-only variances are calculated from the difference between the August and September cumulative reports. The Controller's total revenue figures exclude nonrevenue receipts, such as transfers.

DOF reported preliminary General Fund agency cash receipts of \$22.593 billion in September, \$2.932 billion, or 14.9%, above the Budget Act forecast of \$19.661 billion. Stronger corporation tax collections (\$1.302 billion above projections) and personal income tax receipts (\$1.146 billion above projections) accounted for most of the increase. Sales and use taxes exceeded projections by \$159 million, while pooled money interest receipts were \$384 million above forecast, offsetting timing-related shortfalls in July and August. For the fiscal year through September, DOF reported revenues of \$50.048 billion, \$4.663 billion, or 10.3%, above projections.

The Controller's September report shows General Fund revenues of \$22.679 billion for the month, approximately \$2.688 billion above Budget Act estimates. Fiscal year-to-date revenues totaled \$50.531 billion, \$5.066 billion (11.1%) above projections. Personal income tax collections were \$2.637 billion above projections through September, corporation taxes were \$1.975 billion above projections, and sales and use taxes were \$262 million above projections. Including nonrevenue receipts, total General Fund cash receipts exceeded estimates by \$5.573 billion, or 12.2%, through September.

Despite stronger revenues, state expenditures are also running ahead of budget estimates. The Controller reported fiscal year-to-date disbursements of \$101.228 billion, \$11.844 billion (13.3%) above projections. State operations spending exceeded estimates by \$4.319 billion, while local assistance disbursements were \$4.098 billion higher than anticipated. The General Fund ended September with a zero cash balance and \$326.4 million in outstanding internal borrowing, although approximately \$102.7 billion in unused borrowable resources remained available.

The difference between the DOF and Controller figures reflects differences in reporting methodology and timing. DOF measures preliminary agency cash receipts, while the Controller reports funded cash recorded in the state's accounting system. The Controller's separately reported total cash receipts also include nonrevenue transactions, explaining why those totals differ from the revenue figures in the table. Both reports indicate stronger-than-expected revenues through September, but higher disbursements and continued uncertainty about future revenue collections remain important considerations for the state's fiscal outlook.

State Auditor Raises Concerns About Medi-Cal Provider Payment Oversight

The California State Auditor released a [report](#) on October 15 identifying shortcomings in the Department of Health Care Services' (DHCS) oversight of Medi-Cal provider payments. The review found that DHCS has not consistently followed up on questionable billing practices, pursued potential fraud, or prevented payments to providers that are no longer eligible to participate in Medi-Cal. Based on these findings, the Auditor added provider payment oversight as another reason for keeping DHCS on the state's high-risk agency list.

The findings come as California faces growing pressure on Medi-Cal funding and prepares for federal eligibility and financing changes under H.R. 1. While the report focuses on DHCS rather than counties, it raises concerns about oversight of the managed care system, through which most Medi-Cal beneficiaries receive services.

The report is a high-risk assessment, rather than a full performance audit, and does not include formal recommendations. It also does not conclude that every provider flagged for questionable billing engaged in fraud.

Key Statewide Findings

- **More than 26,000 providers flagged for potential billing problems received no further review.** DHCS identified approximately 28,000 providers in the highest 10% of scores generated by one of its risk assessment tools. As of March 2026, the Department had not

opened referrals or investigations for more than 26,000 of them. These providers accounted for at least \$12 billion in Medi-Cal services during fiscal year 2024-25. A high-risk score does not necessarily indicate fraud, but the Auditor questioned why DHCS had not examined more of the cases flagged by its own system.

- **DHCS has identified billions in provider overpayments, some of which remain outstanding.** Between fiscal years 2020-21 and 2024-25, DHCS identified more than \$2 billion in cumulative overpayments to Medi-Cal providers, and had not recovered approximately \$300 million.
- **Some providers continued billing even after DHCS identified questionable payments.** Three providers collectively billed more than \$11 million in Medi-Cal services during fiscal year 2024-25 after managed care plans had identified inappropriate payments and DHCS closed the initial referrals without conducting its own investigations. The Auditor also identified two providers that billed nearly \$1.6 million despite becoming ineligible to participate in Medi-Cal.
- **Inappropriate transportation claims resulted in roughly \$31 million in overbilling.** Over 130 transportation providers charged the elevated nonemergency ambulance mileage rate for journeys made in alternative vehicles, such as wheelchair vans and taxis. In one case, a managed care plan erroneously directed providers to bill at this higher rate. The Auditor also noted that current utilization controls and documentation rules hampered efforts to identify and verify improper transportation claims.
- **Fraud investigations have not kept pace with Medi-Cal spending.** DHCS receives nearly 2,000 referrals involving suspected fraud, waste, or abuse each month but investigates fewer than 15%. Investigative staffing has remained relatively flat since 2016, even as Medi-Cal spending has more than doubled. As a result, the number of investigators per billion dollars spent on Medi-Cal has fallen by 57%.

DHCS disagreed with the findings, arguing that the Auditor did not give enough consideration to DHCS's existing efforts to prevent fraud, recover overpayments, and improve its use of data to identify suspicious billing. DHCS also cautioned against suspending providers based on unsubstantiated allegations, citing the potential disruption to patient care. The Auditor stood by its conclusions, pointing to cases where DHCS had reason to suspect improper billing but did not follow up.

Orange County Considerations. For Orange County, the most direct connection is CalOptima Health, which provides Medi-Cal coverage to more than 800,000 members. As the County's managed care plan, CalOptima monitors its providers and subcontractors, investigates suspected fraud, and reports concerns to DHCS. Several of the Auditor's findings involve cases where managed care plans had already identified questionable payments, but DHCS did not pursue further investigation. The report does not identify any specific problems involving Orange County or CalOptima. However, this is not the first time local authorities have examined provider oversight. A separate [2023 State Auditor report](#) found shortcomings in how CalOptima evaluated allegations of fraud, waste, and abuse. CalOptima revised its procedures in response, and the Auditor subsequently determined that the recommendations had been implemented. The audit was closed in November 2024.

The latest findings also intersect with the County's broader concerns about Medi-Cal financing. Orange County's Social Services Agency administers eligibility and renewals, while DHCS and managed care plans primarily handle provider payments. Although the report does not identify problems with county eligibility administration, it comes as the County prepares for additional administrative demands under H.R. 1 and potentially substantial increases in indigent care costs as residents lose Medi-Cal coverage.

According to the State Auditor, unaddressed improper payments in managed care plans could ultimately drive up state expenditures. Because DHCS sets per-member payment rates for managed care plans using historical service cost data, undetected overpayments can distort future rate calculations, even though identified overpayments are removed.

Orange County's primary concern extends beyond whether DHCS can recover additional improper payments. Safety-net providers, including CalOptima, hospitals, and community clinics, already face financial vulnerability, so preserving Medi-Cal funds for legitimate care is critical. Enhanced oversight could safeguard these vital resources, provided any new mandates do not impose additional financial burdens or service delays on local agencies and care providers.

Upcoming Hearings

Agendas are typically posted on the [Assembly](#) and [Senate](#) committee websites a few days before 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.

Wednesday, October 28, 2026, 1:30 p.m.

[Assembly Utilities and Energy Committee](#)

1021 O Street, Room 1100, Sacramento

Informational Hearing: The Tipping Point: Historic Growth, Generational Investment, and Utility Investability

Grant Opportunities

Below are selected active state grant opportunities of potential interest to local jurisdictions and community partners. All opportunities for local jurisdictions may be found [here](#).

[Beverage Container Redemption Innovation Grant](#)

Application Deadline: January 5, 2027, 4:00 p.m.

State Agency/Department: Department of Resources Recycling and Recovery

Purpose: Supports start-up costs for recycling programs, including mobile recycling and redemption access. Eligible applicants include public agencies and certified recycling operators, subject to program restrictions.

Match Funding? No

Estimated Total Funding: \$20,000,000

Funding Method: Advances and reimbursements

[Trauma Recovery Center Grant Fiscal Year 27/28](#)

Application Deadline: December 15, 2026, 2:00 p.m.

State Agency/Department: Victim Compensation Board

Purpose: Funds trauma recovery centers providing mental health, case management, and other services to survivors of violent crime. Public agencies and nonprofits may apply.

Match Funding? No

Estimated Total Funding: The total amount of funding will be unavailable until the amount designated from the Safe Neighborhood and Schools is identified in 2027. The total funding will include \$2,000,000 from the Restitution Funds.

Funding Method: Reimbursements

Governor's Press Releases

Below is a list of the governor's press releases beginning October 15.

October 20: [NEW: California revenues come in \\$2.9 billion above forecast as state's innovation economy continues to grow](#)

October 19: [Governor Newsom announces new tool to make it easier to access and find a state job](#)

October 19: [Governor Newsom announces historic new ocean protections as Trump pushes offshore drilling](#)

October 19: [Governor Newsom spotlights California's steel comeback: first new mill in 50 years brings jobs, investment, and cleaner industry](#)

October 17: [Governor Newsom highlights mental health support for USS Abraham Lincoln sailors returning to San Diego after 321-day deployment](#)

October 16: [California secures federal assistance to support response to Norte Fire in Orange County](#)

October 16: [A commitment to serve: 3,200 CHP officers sworn in since 2019](#)

October 16: [First Partner Siebel Newsom celebrates California's nation-leading Farm to School program at statewide summit](#)

October 16: [Governor Newsom supports nearly 700,000 earn and learn opportunities, announces 49,000 new apprenticeships for Californians](#)

October 16: [Governor Newsom helps nearly 12,000 Californians switch to electric cars, leaving Trump's skyrocketing gas prices in the rearview mirror](#)

October 15: [Governor Newsom activates statewide response amid dangerous fire weather, signs actions to speed Tropical Storm Rachel recovery and wildfire cleanup](#)

October 15: [Governor Newsom announces appointments 10.15.26](#)

October 15: [Governor Newsom responds to unfounded Trump lawsuit that is desperate attempt to suppress California voters less than 3 weeks before election](#)

October 15: [Future of aerospace blasts off in the Golden State, as Governor Newsom visits Space Beach](#)

3. Washington D.C. Legislative Report

Prepared by Townsend Public Affairs

LEGISLATIVE BRANCH ACTIVITY

Lame-Duck Agenda Compacted as Midterms Near, Uncertainty Over Appropriations Process

As Congress remains out of session until November 9 to campaign in the midterm elections, staff and Leadership have been working to coalesce around issues they could use the 24 legislative days remaining in the 119th Congress to address.

With the government currently funded by a Continuing Resolution (CR) running through December 11, completing the Fiscal Year 2027 (FY27) appropriations process remains top of mind, alongside other fixes to Surface Transportation Reauthorization Act (Infrastructure Investment and Jobs Act (IIJA)) programs which expired at the end of the Fiscal Year, and a sweeping [Proposed Rule](#) by the White House Office of Management and Budget (OMB) reforming the federal grantmaking process.

In addition, Congress is expected to consider bipartisan and bicameral versions of the National Defense Authorization Act (NDAA) and Water Resources Development Act (WRDA). There have also been [discussions](#) among Republicans in Congress about pursuing a follow up reconciliation package, the same legislative vehicle as [HR 1](#), the One Big Beautiful Bill Act (OBBBA) if Democrats take either chamber in the midterm elections. If the package were based on the House-passed [H Con Res 113](#), it could include measures to pay for the Iranian conflict, provide farmers financial assistance related to increased prices from tariffs and the Iranian conflict, and voluntary election security measures [promoted](#) by the White House. Reconciliation packages are not subject to the filibuster, and only require a simple majority in the Senate to pass.

Ultimately, if Republican Leaders decide to pursue a third reconciliation bill, it would consume significant amounts of floor and committee time, likely necessitating extensions or expedited consideration of the other must-pass bills.

Members of Congress Begin Campaigning for Committees and Leadership Positions

Ahead of the midterm elections and the end of the 119th Congress, Members have begun the process of campaigning for new committee assignments, and some for positions in leadership. Each Congress, all members regardless of tenure and position must be [reelected](#) by a simple resolution to their committees and leadership positions.

The process usually begins with a nomination from a party's Steering and Policy Committee, before the full caucus approves the list and moves the completed committee rosters to the House floor for a vote. Generally, Members can serve on no more than two standing committees, though some committees, including appropriations, are "exclusive" and members only serve on that one committee. Serving on a committee generally gives members the opportunity to establish deeper policy expertise on specific issues, and introduce legislation on those issues.

Representative Maxine Waters, currently the Ranking Member of the Committee on Financial Services is [facing](#) two challengers for her position, both younger members, though she [secured](#) the support of 19 Democrats expected to remain on the Committee, which oversees housing, banks, urban development, and the insurance industry among other issue areas. On the House Committee on Education and Workforce, Rep. Jahana Hayes is [challenging](#) current Ranking Member Bobby Scott for the position. These fights are expected to intensify if Democrats win a majority of the House

in the midterm elections, and could result in significant changes to leadership's policymaking process. Committee leader challenges from younger members have become more common, especially within the Democratic party, where committee leaders are not subject to any term limits.

In addition, Congressional Leadership, regardless of whether the party in control of Congress changes hands, must run for reelection within their party for their leadership position, including the Speaker, Majority Leader, any Party Chairs, the Whips, and members of the Steering and Policy Committees. Should Democrats win a majority of the House in November, current Minority Leader Hakeem Jeffries could face a challenger in his efforts to become Speaker of the House.

EXECUTIVE BRANCH ACTIVITY

Treasury Publishes NPRM on Prohibition on Large Institutional Investor Purchases of Single-Family Homes from 21st Century ROAD to Housing Act

On October 22, the Department of the Treasury (Treasury) published a [Notice of Proposed Rulemaking](#) implementing [Sec. 10001](#) of [HR 6644](#), the 21st Century ROAD to Housing Act, which prohibits institutional investors from acquiring large numbers of single-family homes. Treasury, as required by the law, coordinated with the Department of Housing and Urban Development (HUD), the Federal Housing Finance Agency, and Securities and Exchange Commission to promulgate the NPRM.

The NRPM proposes initial clarifying definitions of "excepted purchase" and "large institutional investor": "program," "build-to-rent program," "renovate-to-rent program," "homeownership program," "program to boost homeownership," "engaged in the business of," "passive investor," "purchase price of the single-family home," and "structural or core system" in relation to existing statute and existing federal programs.

While this NRPM is not led by HUD, implementation of the 21st Century ROAD to Housing Act has been delayed by staffing shortages. HUD and other agencies have missed [statutory deadlines](#) to begin standing up new programs and provide additional technical assistance resources to local governments.

President Signs Executive Order Creating Women's Health Division at NIH

On October 19, the President signed Executive Order (EO) [14437](#), titled, Advancing Women's Health to Improve Outcomes in All Phases of Life, and released a [fact-sheet](#) on the EO. The EO will create a new Women's Health Division within the National Institutes of Health (NIH), to coordinate improving research, promote disease diagnosis and prevention, and facilitate the dissemination of research breakthroughs into clinical practice.

The EO also created a White House Women's Health Task Force to be led by the Secretaries of Health and Human Services, Defense, Agriculture, and Labor among [others](#). The Task Force will be responsible for interagency coordination to improve federal grantmaking and research efforts into women's health. Other [efforts](#) to support women's health are being led by the First Lady.

While Departments and Agencies may have discretion to adjust some grantmaking priorities, the White House will ultimately have to engage with Congress in the next annual appropriations process to effectuate any changes in funding levels for programs specifically dedicated to women's health, which could be done on a bipartisan basis.

Orange County Delegation Press Releases

- Rep. Lou Correa – October 21, 2026: [CORREA, 39 COLLEAGUES DEMAND ANSWERS ON THE DETENTIONS OF U.S. CITIZENS BY IMMIGRATION ENFORCEMENT](#)
- Rep. Lou Correa – October 15, 2026: [CORREA, SMITH INTRODUCE BIPARTISAN BRIGHT BEGINNINGS ACT TO EXPAND CHILDCARE FOR CHILDREN WITH DEVELOPMENTAL DISABILITIES](#)
- Rep. Young Kim – October 20, 2026: [Rep. Young Kim Convenes Roundtable with Housing Leaders to Tackle Affordability in Southern California](#)
- Rep. Young Kim – October 19, 2026: [Rep. Young Kim Leads Commercial Diplomacy Roundtable to Expand Opportunities for Southern California Businesses](#)
- Rep. Linda Sánchez – October 16, 2026: [Sánchez statement on suspicious package at Whittier office](#)
- Rep. Linda Sánchez – October 15, 2026: [Sánchez, Sewell lead 55 Democrats in opposing U.S. Withdrawal from International Labor Organization](#)
- Sen. Alex Padilla – October 21, 2026: [Padilla, Warner, Himes, Morelle Demand Big Tech Uphold Election Integrity Efforts](#)
- Sen. Alex Padilla – October 20, 2026: [Ranking Members Padilla, Morelle Condemn the Department of Justice for Meddling in California's Elections](#)
- Sen. Alex Padilla – October 16, 2026: [Padilla, Hirono, Senate Colleagues Press Trump Administration on Illegal Reallocation of Funding for Minority Serving Institutions](#)
- Sen. Alex Padilla – October 16, 2026: [Padilla, Durbin, Whitehouse Demand DOJ Commit to Not Seize Ballots, Voting Equipment During Midterm Elections](#)
- Sen. Alex Padilla – October 15, 2026: [WATCH: Padilla Slams Trump DOJ Attempts to Interfere in California Elections](#)
- Sen. Alex Padilla – October 15, 2026: [Padilla Statement on Trump's DOJ Lawsuit Against California and Los Angeles Election Officials](#)
- Sen. Alex Padilla – October 15, 2026: [Padilla, Durbin, Warner, Peters Demand Answers on Trump Administration's Efforts to Interfere in Midterm Elections](#)
- Sen. Adam Schiff – October 20, 2026: [ICYMI: Sen. Schiff Tours CBP Facility at San Francisco International Airport in Oversight Visit Seeking Answers on Rights and Treatment of Detainees](#)
- Sen. Adam Schiff – October 20, 2026: [NEWS: Schiff, Murphy, Kelly, Slam Attorney General Blanche for Illegally Allowing Sale of Guns to Teenagers, Increasing Likelihood of School Shootings](#)
- Sen. Adam Schiff – October 16, 2026: [NEWS: Sens. Schiff, Padilla Deliver Nearly \\$2.5 Million for Bay Area Public Safety Projects](#)
- Sen. Adam Schiff – October 16, 2026: [WATCH: Sen. Schiff Reacts to DOJ Suing California Over False Election Claims: "We're Fortunate That They're So Incompetent"](#)
- Sen. Adam Schiff – October 16, 2026: [NEWS: Schiff Joins Raskin, Blumenthal in Pressing Kirkland & Ellis for Details of \\$125 Million Trump "Deal"](#)

Legislation Introduced by the Orange County Delegation

Bill Number	Bill Title	Introduction Date	Sponsor	Bill Description	Latest Major Action
H.R. 10815	Bright Beginnings Act	10/15/2026	Rep. Lou Correa (D-CA-46)	To amend the Internal Revenue Code of 1986 to establish a credit for amounts paid or incurred by child care providers to advance innovation and access for developmentally disabled individuals	Referred to the House Committee on Ways and Means., 10/15/2026

If you or your staff have any questions or require additional information on any of the items in this bulletin, please contact Charles Dulac at 714-834-3141.