

FISCAL YEAR (FY) 2026-27

STATE BUDGET ADVOCACY ITEMS



COUNTY-SUPPORTED STATE BUDGET ITEMS

Disaster Recovery Rebuild Authority

The Los Angeles County Delegation has submitted a State budget request for \$10 million to support the County's creation of the Los Angeles County Disaster Recovery Rebuild Authority. The County supports this State Budget request as it will accelerate recovery for residents and businesses affected by the January 2025 wildfires.

Funding Investment for California's Public Hospital Systems

The California Association of Public Hospitals and Health Systems (CAPH) requests an annual \$500 million appropriation in State General Funds (SGF) to replace the Nursing Facilities of Medicaid fee-for-service payments for inpatient services currently financed by public hospital systems. The County supports the CAPH proposal because, without the investment from the State, California's public hospital systems will be unable to sustain current care levels.



COUNTY-SUPPORTED STATE BUDGET ITEMS (CONT.)

Public Health Information Technology (IT) Systems Funding

The County Health Executives Association of California is requesting \$97.6 million in one-time funding to sustain the California Department of Public Health IT systems. The County supports this proposal because it would preserve critical State public health IT systems that the County relies on.

Emergency Response (ER) Enhancement Services

The County Welfare Directors Association (CWDA) requests \$20 million in FY 2026-27 to sustain ER stabilization efforts statewide and preserve front-end prevention capacity during implementation of H.R. 1. The County supports CWDA's State budget request as it would help maintain child safety and prevention capacity.

In-Home Supportive Services (IHSS) Community First Choice Option (CFCO) Penalties

The CWDA is proposing trailer bill language (TBL) for the 2026 State Budget Act to preserve the current 50 percent State/50 percent County cost split. The County supports CWDA's proposal to include CFCO TBL in the 2026 State Budget Act, which would protect IHSS consumers and ensure equitable access to critical services.



COUNTY-SUPPORTED STATE BUDGET ITEMS (CONT.)

[Child Support Local Assistance](#)

The Governor's Proposed January Budget proposes a \$16.6 million increase (\$6 million in SGF and \$10.6 million in federal funds) in FY 2026-27. The County supports this proposal, as the Child Support Services Department estimates that it would receive approximately \$9.6 million.

[Bringing Families Home \(BFH\) Program](#)

The 2025 State Budget Act provided one-time funding of \$81 million in SGF in FY 2025-26. The County supports the proposal to extend funding for the BFH program beyond FY 2025-26, as this would help maintain housing stability for child welfare-involved families in the County.

[Trauma Recovery Centers](#)

The National Alliance of Trauma Recovery Centers (NATRC) is requesting \$34 million in ongoing SGF to provide services to survivors of violence at the 20 existing Trauma Recovery Centers in California. The County supports the NATRC request, as it would help provide services for survivors of violence who do not get proper attention through traditional victim services.



COUNTY-SUPPORTED STATE BUDGET ITEMS (CONT.)

Homeless Housing, Assistance and Prevention (HHAP) Program

The California State Association of Counties, the California Big City Mayors Coalition, the League of California Cities, and Bring California Home are requesting an increase to HHAP Round 7 to prior funding levels of \$1 billion and an ongoing State appropriation of \$1 billion for the program. The County supports this State Budget request, as it would prevent the reduction or elimination of housing and homeless services currently supported by HHAP and provide local agencies with a stable source of funding to address homelessness.

Small Business Resiliency and Innovation Act

AB 685 (Solache), as amended on January 12, 2026, would appropriate \$26 million from the SGF to a new Small Business Resiliency and Innovation Fund administered by the Office of the Small Business Advocate. The County supports AB 685 as it would support small business stabilization and inclusive economic growth.



COUNTY-SUPPORTED STATE BUDGET ITEMS (CONT.)

[Flexible Family Supports, Two Year Extension](#)

The CWDA requests a two-year extension of Flexible Family Supports funding beyond June 30, 2026, to maintain the current momentum of concrete supports to foster children, youth, and their caregivers, while the State and counties work to implement the Tiered Rate Structure, which will implement on or after July 1, 2027. The County supports CWDA's State budget request as it would help address immediate, concrete barriers to promote placement stability and support placements with relatives and other family-based caregivers.



COUNTY-OPPOSED STATE BUDGET ITEMS

Restrictions on Immigrant Eligibility for Full-Scope Medi-Cal

The Governor's Proposed January Budget proposes transitioning individuals impacted by the federal eligibility change for qualified non-citizens from full-scope Medi-Cal to restricted-scope Medi-Cal, effective October 1, 2026. The County is opposing this proposal as restricting full-scope Medi-Cal coverage for immigrant communities would result in County residents losing access to critical care and services.

Community-Based Mobile Crisis Intervention Services

The Governor's Proposed January Budget proposes to shift the Medi-Cal Community-Based Mobile Crisis Intervention Services benefit from a statewide mandatory Medi-Cal benefit to a county-optional benefit. The County opposes this proposal, as shifting this benefit from a statewide mandatory Medi-Cal benefit to a county-optional benefit would pose a significant risk to ensuring that individuals in need have access to comprehensive behavioral health crisis response services.



COUNTY-OPPOSED STATE BUDGET ITEMS (CONT.)

IHSS Growth Cost Shift to Counties

The Governor's Proposed January Budget proposes a reduction of \$233.6 million in SGF by removing the State's share of cost associated with the growth in IHSS hours per case and shifting those costs to counties beginning in FY 2027-28. The County opposes the proposed State budget reduction, which would negatively impact the IHSS program and the broader health and human services programs that the County administers.

Elimination of the IHSS Back-up Provider System

The Governor's Proposed January Budget proposes to reduce \$3.5 million in SGF in FY 2026-27 and ongoing, eliminating the IHSS Back-Up Provider System. The County is opposing the proposed State budget reduction, which would eliminate the program and jeopardize the safety of IHSS recipients.



COUNTY-OPPOSED STATE BUDGET ITEMS (CONT.)

[Auto-termination of IHSS When Medi-Cal is Discontinued](#)

The Governor's Proposed January Budget proposes to automate the termination of IHSS to align with the discontinuance of Medi-Cal. The County opposes the proposed State budget proposal to automate the termination of IHSS, which would create gaps in essential care for individuals who cannot safely be left without assistance, increasing the likelihood of hospitalization or institutional placement.

[Cuts to Pretrial Release Program](#)

The Governor's Proposed January Budget makes no changes to the ongoing \$20 million reduction to the Judicial Branch's Pretrial Release Program enacted in the 2025 State Budget Act. The County is opposing the ongoing cuts to Pretrial Release because they could reduce funding for County services for clients.



OTHER ADVOCACY

Work and Community Engagement Requirement Implementation

The Governor's Proposed January Budget proposes a \$373 million reduction by FY 2029-30, due to the new work and community engagement requirements for the Affordable Care Act adult expansion population, effective January 1, 2027. As a result, the County is advocating for the State in developing its regulations around community engagement to develop and implement, in coordination with counties, the most streamlined work-requirement exemption process possible.