



Orange County 2026 State Budget Priorities



Overview

Like other counties, Orange County anticipates a “perfect storm” of fiscal strain in 2026, driven by slowing revenues, inflationary cost pressures, unfunded state mandates, Proposition 36 implementation, and redirection of safety net program funds to implement the CARE Act and the Proposition 1 Behavioral Health Services Act.

H.R. 1 was signed into law last year. The most significant changes to Medi-Cal and CalFresh eligibility rules took effect on April 1, 2026. The new rules include additional eligibility requirements, reduced benefits or potential ineligibility for certain populations. Both current recipients and future applicants will be impacted by these changes.

In Orange County, nearly 850,000 residents are Medi-Cal beneficiaries, and nearly 300,000 (about 1 in 10) residents receive CalFresh benefits. This includes thousands of children, seniors, and low-income, working age disabled adults. H.R. 1 puts nearly 1 million vulnerable Orange County residents at elevated risk of losing their health care coverage and access to the critical safety net services they depend on: food assistance, behavioral health, substance use treatment, public health services, employment training assistance, and homelessness prevention, among others.

The Orange County Board of Supervisors has designated the following nine state budget requests as its most urgent funding priorities in 2026 to mitigate the immediate and long-term impacts on our residents.

Budget Priorities

H.R. 1 Budget Request: County Eligibility Workforce Administration

- Support the request from Urban Counties of California (UCC) for \$230 million in 2026-27, and \$305 million in 2027-28 for training to support Medi-Cal beneficiaries.
- Support UCC's request for \$9.3 million in 2025-26, \$102 million in 2026-27, and \$57.9 million in 2027-28 to support CalFresh training requirements.

H.R. 1 Budget Request: County Indigent Care Program

- Support UCC's request for at least \$700 million in 2026-27, \$2.3 billion in 2027-28, and additional-likely increased-support in future years as indigent health care service demands adjust.
- Support UCC's request for an additional \$92.2 million for local health departments.



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H.R. 1 Budget Request: County Behavioral Health

- Support UCC's request for \$224 million in 2026-27 and \$828 million in 2027-28.

Proposition 36 Budget Request

- Support the \$400 million request from Senators Blakespear, Rubio, and Umberg and Assemblymember Nguyen for Proposition 36 implementation of recovery support services and substance use treatment.
- Support the \$110 million request from Assemblymember Krell for pre-trial diversion and behavioral health rehabilitative services.

Homeless Housing Assistance Prevention (HHAP) Budget Request

- Support the request from CSAC and UCC for HHAP Round 7 funding of \$500 million for 2026-27, an additional \$500 million in the current fiscal year, and \$1 billion ongoing annually. These funds will help residents find stable housing and prevent more people from becoming homeless.

In Home Support Services (IHSS) Budget Request

- Oppose the Governor's proposal to eliminate the state's share of cost growth for In-Home Supportive Services (IHSS) hours and shift \$233.6 million in costs to counties.

Workforce and Affordable Housing Budget Request

- Support the proposed 2026 Affordable Housing Bond for \$10 billion.
- Include funding eligibility in the Housing Bond for the Local Housing Trust Fund (LHTF) and the California Housing Accelerator program.

Veterans Services Budget Request

- Support budget language authorizing the Department of Veterans Affairs to expend funds from the Southern California Veterans Cemetery Master Development Fund for at least the first stage of project development (Preliminary Plans), and potentially the second stage (Working Drawings).
- Support budget request from Riverside County for \$30 million for County Veterans Services Offices (CVSOs.)

Airport Fire Budget Request

- Request the California Department of Forestry & Fire Protection (CalFire) dismisses its litigation against the County for \$31.7 million for fire suppression costs.