Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT
Juan Carrillo, Chair
SB 1193 (Wahab) – As Amended April 30, 2026

SENATE VOTE: 37-0

SUBJECT: Discretionary funds: County of Alameda.

SUMMARY: Places requirements on the use of discretionary funds by members of the Alameda County Board of Supervisors. Specifically, **this bill**:

1) Defines the following terms:

   a) "County" to mean Alameda County.

   b) "Board" to mean the board of supervisors of the County.

   c) "Discretionary funds" to mean funds that a member of the board, or less than a majority of the board, requests the board to award to community organizations, nonprofit organizations, and private entities in their supervisorial district. "Discretionary funds" do not include any discretionary funds awarded to the Alameda Health System, as described in existing law.

   d) "Public purposes" to mean the use of funds to further a program that provides health and human services, education, homelessness services, cultural resources, or other services to residents of a supervisorial district. "Public purpose" does not include either of the following:

      i) Awards to benefit an entity that does not provide health and human services, education, homelessness services, cultural resources, or other services to residents of a supervisorial district.

      ii) Awards that fund travel and related expenses, marketing or economic development programs, or direct resources to a single private entity that does not provide any of the services in d), above.

2) Prohibits the Board from awarding discretionary funds to a community organization, nonprofit organization, or private entity unless the board approves the award by a majority vote, and the award does both of the following:

   a) Includes a description of how the award provides resources of communitywide significance for the district that the member of the board requesting the award represents.

   b) Identifies the public purposes that the award will serve.

3) Specifies that the Board shall not do either of the following:

   a) Appropriate discretionary funds for an award that is not for a public purpose.

b) Appropriate any funds in a way that allows a member, or less than a majority, of the board to appropriate funds. Any awards to community organizations, nonprofit organizations, and private entities shall be made by a majority of the board and identify the specific entity that is being awarded the funds.

4) Provides that the Board shall post on its internet website a log of appropriated discretionary funds at the end of each quarter, which shall include all of the following:

   a) The planned and actual costs of the program or project, including the indirect costs, that the discretionary funds cover.

   b) The spending timeline of those funds.

   c) The purpose of the program funding.

   d) The eligibility requirement to receive funding.

   e) Total dollars awarded to the entity that is contracted with the County.

   f) The information described in 2), above.

   g) Any statements specified in the Political Reform Act of 1974 for supervisors, staff of a supervisor, local agency executives, as defined, or other similar administrative officers of the County that participated in the awarding of the funds.

   h) A link to an internet website describing the process for receiving and reviewing whistle blower complaints.

5) Specifies that within 90 days before an election, a member of the Board who is on a ballot as a supervisor district candidate of the Board shall not take any of the following actions:

   a) Place an agenda item seeking approval to appropriate discretionary funds on the agenda for a meeting of the Board.

   b) Announce or participate in a press release announcing the awarding of discretionary funds previously approved by the Board.

   c) Participate in or make a ceremonial presentation awarding previously approved discretionary funds.

6) Provides that, notwithstanding 5), above, members of the Board may do either of the following:

   a) Attend events hosted by entities who received discretionary funds, if the event is not directly held in the supervisor's honor.

   b) Vote on discretionary fund awards that benefit the County as a whole or other districts.

7) Prohibits discretionary funds from being awarded at a special meeting or on the consent calendar.

8) Specifies that this bill does not limit the existing authority of the Board to adopt ordinances, rules, or regulations beyond the minimum requirements outlined in this bill.

9) Finds and declares that a special statute is necessary and that a general statute cannot be made applicable because of the unique necessity to ensure integrity and transparency of County discretionary spending and the electoral process in the County.

FISCAL EFFECT: None.

COMMENTS:

1) **Bill Summary.** This bill prohibits the Alameda County Board of Supervisors from awarding discretionary funds, as defined, to a community organization, nonprofit organization, or private entity unless the Board of Supervisors approves that award by a majority vote and the awards includes a description of how the award provides resources of communitywide significance for the district that the member of the Board requesting the award represents and identifies the public purposes, as defined, that the award will serve. This bill also prohibits the Alameda County Board of Supervisors from appropriating discretionary funds for an award that is not for a public purpose and from appropriating any funds in a way that allows a member, or less than a majority, of the Board to appropriate funds, as specified.

   Additionally, this bill requires the County to post on its website a log of appropriated discretionary funds at the end of each quarter and requires certain information to be included. Lastly, this bill prohibits a Board member, within 90 days of an election, to take certain actions including, placing an agenda item seeking approval to appropriate discretionary funds on the agenda for a meeting of the Board. This bill is sponsored by the author.

2) **Author's Statement.** According to the Author, "SB 1193 will ensure the integrity and transparency of discretionary funds spending in Alameda County. Currently, Alameda County's policy on discretionary funds spending lacks guardrails that serve the best interests of the public for certifying that programs are fulfilling their contractual obligations. This bill will prevent future misuse of taxpayer dollars by establishing a framework for how Alameda County Board of Supervisors can approve and appropriate discretionary funds. SB 1193 will combine disclosure, participation, and enhanced oversight to promote better trust and performance for Alameda County."

3) **County Governance.** Existing law provides for county powers and governance, including an elected county board of supervisors, an elected county sheriff, an elected district attorney, and an elected assessor. The powers of a county can only be exercised by the board of supervisors or through officers acting under the authority of the board or authority conferred by law. The board supervises the official conduct of all county officers, particularly as their activities pertain to the management and disbursement of public funds. The board of supervisors is also vested with the constitutional authority to provide for the number, compensation, tenure, and appointment of employees.

   The board of supervisors of any county can appropriate and expend money from the general fund of the county to establish county programs or to fund other programs considered by the board of supervisors to be necessary to meet the social needs of the population of the county. This includes the areas of health, law enforcement, public safety, and education, among others. The board of supervisors can also contract with other public agencies or private agencies or individuals to operate such programs if the board of supervisors determines it will serve public purposes.

A program may consist of a community support program including a charitable fund drive conducted in cooperation with one or more nonprofit charitable organizations if the board of supervisors believes a program will assist in meeting the social needs of the population of the county. If the board establishes a program, the officers and employees of the county must have the authority to carry out the program, using county funds and property if authorized by the board.

4) **Recent Conflict of Interest Controversies.** In April 2021, the Orange County Board of Supervisors adopted a policy that allowed each Supervisor to determine how to award COVID-19 relief funding in their respective districts. Each of the five districts received an initial $10 million allocation, to which the Board added another $3 million in June 2023, for a total of $65 million. Once each supervisor decided how to prioritize these funds, the board voted to approve the disbursement of funds.

   Starting in late 2023, news surfaced that an Orange County Supervisor awarded COVID-19 relief funding to an organization run by his daughter without disclosing the connection to the public.[1] After public scrutiny over the contracts, news surfaced the organization was also behind on required audits.[2] Despite these concerns, the Supervisor continued to award funding to the organization.[3] According to Orange County Supervisor Janet Nguyen, "[Supervisor] Do's bribery scheme cost the County more than $10 million, as funds earmarked for COVID relief were funneled to co-conspirators who didn't carry out contracted duties. Most notably, this included feeding needy homebound seniors and constructing a Vietnam War veteran's memorial. Others were victimized as well, as Do hired companies to perform services for the First District that were never reimbursed. Do has been sentenced to 5 years in prison ..."[4]

   In response, the Legislature enacted AB 2946 (Valencia), Chapter 249, Statutes of 2024, which prohibits a member of the Orange County Board of Supervisors from awarding district discretionary funds to a community or nonprofit organization unless they are approved by a majority vote of the board, required the board to report discretionary funding decisions on its website, and prohibited members of the board from taking certain actions related to district discretionary funds within 90 days before an election.

5) **Alameda County.** A 2017 Alameda County Grand Jury Report found that a county employee who played a role in county funding decisions was also co-founder of an organization called Oakland and World Enterprises, Inc that received funds from the County. According to the Grand Jury, this was a conflict of interest and constituted a failure of good governance practices. The Grand Jury also found that Alameda County's process for

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[1] https://laist.com/news/politics/andrew-do-rhiannon-do-investigation-warner-wellness-orange-county-viet-america-society-pham
[2] https://laist.com/news/politics/orange-county-taxpayer-money-andrew-do-viet-america-society-warner-wellness
[3] https://laist.com/news/politics/orange-county-supervisor-andrew-do-taxpayer-money-daughter-viet-america-society-warner-wellness-rhiannon-do
[4] https://bos1.oc.gov/corruption-files-andrew-do

approving discretionary funds resulted in large amounts of money going to nonprofits without a competitive process or written contracts and the county lacked oversight over these funds. The County disputed many of the Grand Jury's findings.

A June 15, 2026, *San Francisco Chronicle* article titled, "Alameda supervisors give millions to connected nonprofits each year. The state may intervene" provides details on funds provided to nonprofits and community organizations, albeit legally appropriated, saying, "Alameda County's supervisors routinely give thousands of dollars in public funds to their favored nonprofits and community organizations, without any competitive process. The funds, which add up to $51 million in the last seven years, have supported the Livermore Valley Winegrowers annual charity auction, the Association of Realtors and a nonprofit founded by a supervisor, among other organizations.

"…The county has several sources of discretionary funds that allow a supervisor to direct funds toward an organization without a contract or bidding process. One of the most often used sources is the supervisors' Fiscal Management Reward Program, which permits each supervisor to bank unused funds from their office budget and spend them on nonprofits. They can bank millions of dollars over the course of years, and there is no limit on the amount they can give.

"Fiscal management reward spending accounts for $14.5 million of the $51 million in discretionary funding the Chronicle reviewed for the last seven years. The supervisors also have allocated $31 million from the Enhancing Vision Fund, which provides each supervisor with $1 million each year to spend on community organizations of their choosing, and another $5.6 million from Measure A, a half-cent sales tax for healthcare that sets aside a portion of its funds for each supervisor."[5]

However, Alameda County notes that, "The county implemented and follows sound fiduciary policy and processes for the allocation of discretionary funds, including full Board approval by a 4/5ths vote at regular publicly noticed meetings. This also includes a board letter and a form provided by the County Auditor that Board members submit for the allocation of discretionary funds, which follows standard accounting practice."

6) **Policy Consideration.** Decisions about how local agencies spend their funds are often left up to elected representatives. However, the Legislature has occasionally stepped in to direct local agencies as to how those decisions should be made. Most recently, AB 2946 prohibited members of the Orange County Board of Supervisors from awarding discretionary funds without a majority vote of the board, included similar reporting requirements to those in this bill and prohibited members of the board from taking certain actions related to district discretionary funds within 90 days before an election. This was the result of a fraud investigation that ultimately put a supervisor into federal prison.

   This bill takes the model of AB 2946 and expands it in a number of ways. A coalition of county organizations argue in opposition that this bill, "…imposes broad, substantial, and burdensome requirements on the Alameda County Board of Supervisors based on findings in a nearly ten-year-old grand jury report, which were expressly disputed by the County. AB

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[5] https://www.sfchronicle.com/eastbay/article/alameda-supervisors-millions-nonprofits-22283215.php

2946 was narrowly crafted to address the Orange County concern, but SB 1193 goes significantly further by expanding the definition of discretionary funds, requiring additional justifications for certain expenditures, and imposing limitations on supervisor's basic authority to appropriate funds." According to the County of Alameda, it maintains top-tier bond ratings, citing strong financial management and robust reserve funds.

While the Alameda County Grand Jury report from 2016 suggests that greater oversight over discretionary funds may be necessary, the Committee may wish to consider if that is sufficient to justify higher standards for Alameda County to award discretionary funds than the rest of the state given that it could slow down decisionmaking by adding steps to the funding process.

7) **Arguments in Support.** According to the Alameda Democratic Party, "…we are pleased to support Senate Bill 1193, which will promote good governance by creating a transparency framework for the Alameda County Board of Supervisors to follow before awarding discretionary funds to a community organization, nonprofit organization, or private entity.

"Many nonprofits rely on public funding, grants, or partnerships with local governments to deliver services. When counties clearly disclose their budgets, funding revenues, and spending, nonprofits can better plan their programs, identify opportunities for collaboration, and align their efforts with public needs. More transparency also ensures a fair and competitive environment where organizations can trust that funding decisions are made openly and solely based on clear criteria.

"SB 1193 will create a more open and accountable process to build public confidence, support informed civic engagement, and enable the Alameda County Board of Supervisors to operate more effectively in addressing community challenges. When counties track, document, and disclose how money is allocated and spent, they enhance collaboration."

8) **Arguments in Opposition.** According to Alameda County, "AB 1193 builds upon a body of law passed by policy makers to address a scandal in Orange County that resulted in a Supervisor being sent to prison. Alameda County has no such scandals. The author asserts the bill is rooted in a Grand Jury Report from 2016-17. Since that time, the Board has changed considerably with four new members. More importantly, the board refuted many of the claims in the Grand Jury report at the time.

"At a time when counties face mounting pressures from the passage of HR 1 and a structurally unbalanced state budget, the State's involvement in the Governance of a county absent scandal is confounding. This is a slippery slope for the State to intercede in local autonomy with no local malfeasance or scandal.

"Alameda County has a long-standing, sound fiscal policy that encourages all departments and agencies to save their funding rather than use it or lose it. All departments, including the Board, can utilize these savings to help balance the county budget or for Supervisors to request funding for non-profits. The funds the author mentions are exactly this-savings derived from Board offices.

"…The Alameda County Board of Supervisors recently adopted a strategic plan for the next decade known as Vision 2036, which aims to enrich the lives of residents through forwardthinking policies and accessible, responsive, and effective public services. The plan anticipates the County's most pressing challenges and outlines shared priorities, including the vision of 'Thriving & Resilient Populations,' 'Safe & Livable Communities,' and 'Healthy Environments.' SB 1193 would undermine these efforts by imposing an overly restrictive definition of discretionary funding that limits the County's flexibility to partner with CBOs, directly impeding our ability to deliver responsive, effective services and advance our shared vision."

REGISTERED SUPPORT / OPPOSITION:

Support

Alameda Democratic Party
Communities United for Restorative Youth Justice
Oakland Privacy
Retired Public Employees Association

Opposition

Afghan Elderly Association
Alameda County
California State Association of Counties
David Haubert, First District, Alameda County Board of Supervisors
Livermore Valley Winegrowers Association
One Nation Dream Makers
Rural County Representatives of California
School of Imagination & Happy Talkers
Tri-Valley Seek and Save
Urban Counties of California

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