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# SENATE COMMITTEE ON LOCAL GOVERNMENT

Senator María Elena Durazo, Chair

2025 - 2026 Regular

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**Bill No:** SB 1193  
**Author:** Wahab  
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**Fiscal:** No  
**Consultant:** Peterson

## ***DISCRETIONARY FUNDS: COUNTY OF ALAMEDA***

*Places limitations on the use of discretionary funds by members of the Alameda County Board of Supervisors.*

### **Background**

***County Governance.*** Counties are general purpose governments that provide a variety of public goods and services to their residents. From law, public health, and child protective services to libraries, parks, and fire protection, counties provide these services through a variety of personnel and financial arrangements—including contracting out to the private sector.

Unless otherwise specified in a charter, county boards of supervisors have five members. These supervisors can perform acts necessary to fully discharge their duties to supervise county governance. 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 can spend money from the general fund of the county to establish county programs or to fund other programs necessary to meet the social needs of the county, including health, law enforcement, public safety, and education, among others. The board of supervisors can also contract with other public agencies, private agencies, or individuals to operate such programs if the board of supervisors determines doing so will serve public purposes.

***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.<sup>1</sup> After public scrutiny over the contracts, news surfaced the organization was also behind on required audits.<sup>2</sup> Despite these concerns, the Supervisor continued to award funding to the

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<sup>1</sup> <https://laist.com/news/politics/andrew-do-rhiannon-do-investigation-warner-wellness-orange-county-viet-america-society-pham>

<sup>2</sup> <https://laist.com/news/politics/orange-county-taxpayer-money-andrew-do-viet-america-society-warner-wellness>

organization.<sup>3</sup> 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 ...”<sup>4</sup> In response, the Legislature enacted AB 2946 (Valencia, 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, requires the board to report discretionary funding decisions on its website, and prohibits members of the board from taking certain actions related to district discretionary funds within 90 days before an election.

***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 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.

In an effort to increase oversight over Alameda County’s awarding of discretionary funds, the author wants to place limitations on the County’s expenditure of those funds.

### Proposed Law

Senate Bill 1193 requires the Alameda County Board of Supervisors to approve by a majority vote an award of (1) discretionary funds, or (2) funds the board, or a member of the board, appropriates to community organizations, nonprofit organizations, and for-profit entities. The bill also requires the contract for an award of those funds to include:

- Transparency requirements;
- Performance metrics;
- Mechanisms for the board to enforce the provisions of the contract if the awardee does not comply with the provisions of the contract;
- A description of the public purpose of the discretionary funds; and
- An explanation of how the discretionary funds will serve the district whose supervisor requested the funds.

The board must post a quarterly log of appropriated discretionary funds on its website including all of the following:

- The planned and actual costs of the program or project, including the indirect costs, that the discretionary funds cover;
- The spending timeline of those funds;
- The purpose of program funding;

<sup>3</sup> <https://laist.com/news/politics/orange-county-supervisor-andrew-do-taxpayer-money-daughter-viet-america-society-warner-wellness-rhiannon-do>

<sup>4</sup> <https://bos1.oc.gov/corruption-files-andrew-do>

- The eligibility requirements to receive funding;
- Total dollars awarded to the entity that is contracted with the county;
- The above information that is in the contract award;
- Conflict of interest statements for supervisors or county staff that participated in the awarding of the funds; and
- A link to an internet website describing the process for receiving and reviewing whistle blower complaints.

SB 1193 also prohibits, within 90 days before an election, a member of the board running for election from taking any action related to discretionary funds, including:

- Placing an agenda item seeking approval to appropriate discretionary funds on the agenda for a meeting of the board;
- Announcing or participating in a press release announcing the awarding of discretionary funds previously approved by the board; or
- Participating in or making a ceremonial presentation awarding previously approved discretionary funds. However, members of the board can attend events hosted by entities that received discretionary funds, if the event is not directly held in the supervisor's honor.

Awards of discretionary funds cannot take place at a special meeting or on the consent calendar. None of these requirements limit the authority for the board to go beyond these minimum requirements.

SB 1193 also defines its terms.

### Comments

1. Purpose of the bill. According to the author, "SB 1193 will ensure the integrity and transparency of district discretionary spending in Alameda County. Currently, Alameda County's policy on district discretionary 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 district discretionary funds. SB 1193 will combine disclosure, participation, and enhanced oversight to promote better trust and performance for Alameda County."

2. Home rule. 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 (Valencia, 2024) 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 SB 1193, 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. SB 1193 takes the model of AB 2946 and expands it in a few significant ways. First, it also applies to discretionary funds awarded by the entire board, and to for-profit entities. Second, it includes many more reporting requirements on discretionary awards. Third, it makes it harder for these decisions to be made because it prohibits their consideration from the consent calendar and special meetings. Extending the SB

2946 model to any funds the county board appropriates to community organizations, nonprofit organizations, and private entities would appear to include everything from a relatively small grant for a nonprofit to provide services to vulnerable populations to a multimillion construction contract awarded to a private construction firm. According to the County of Alameda, it contracted for nearly \$1 billion in services across 278 community-based organizations in 2025-26. While the Alameda County Grand Jury report from 2016 suggests that greater oversight over discretionary funds may be necessary, is that sufficient to justify significantly 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?

3. Middle ground. SB 1193 adds many steps to the process for Alameda County to award funds to outside organizations. Regardless of the size of the award, SB 1193 would require the award to have a contract that includes performance metrics, transparency requirements, and enforcement mechanisms. On the one hand, these provisions ensure that awards avoid conflicts of interest and directly serve a public purpose. On the other hand, these requirements increase the administrative burden of administering these funds. To ensure that SB 1193 adequately balance transparency and efficiency, the Committee may wish to consider amending the bill to:

- To ensure that the County does not have to go through a process that may be more costly than the grant award itself, the Committee may wish to consider amending the bill to exempt discretionary awards under \$25,000;
- To ensure that the County's ability to work with private entities is not overly cumbersome, the Committee may wish to consider amending the bill to remove requirements for all discretionary funds to have a contract award with enforcement mechanisms;
- Special legislation allowed Alameda County to form a public hospital authority, now known as the Alameda Health System (AHS), to manage, administer, and control the Alameda County Medical Center (AB 2374, Bates, 1996). The County awards \$134 million to AHS that could be implicated by this measure. To avoid interruptions in county health services, the Committee may wish to consider exempting discretionary funds awarded to AHS.
- To ensure that the bill focuses conflict of interest disclosures on individuals who participate in award decisions, the Committee may wish to consider amending the bill to limit such disclosures to county supervisors and executive-level staff; and
- To ensure that a supervisor's candidacy does not interfere with county programs, the Committee may wish to consider amending the bill to allow supervisors running in an election to vote on discretionary awards that benefit the county as a whole or outside their district.

4. Special legislation. The California Constitution prohibits special legislation when a general law can apply (Section 16 of Article IV). SB 1193 contains findings and declarations explaining the need for legislation because of the unique necessity to ensure the integrity and transparency of county discretionary spending and the electoral process in the County of Alameda.

#### **Support and Opposition** (4/24/2026)

Support: Retired Public Employees Association

Opposition: David Haubert - First District Supervisor, Alameda County Board of Supervisors  
Afghan Elderly Association  
County of Alameda  
Livermore Valley Winegrowers Association  
One Nation Dream Makers  
School of Imagination & Happy Talkers  
Tri-valley Seek and Save  
One Individual

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