

South Bay Cities Council of Governments

February 26, 2026

TO: SBCCOG Board of Directors

FROM: SBCCOG Steering Committee

SUBJECT: Los Angeles County Essential Services Restoration Act

The Los Angeles County Board of Supervisors has approved placing a Countywide general retail transactions and use sales tax measure on the June 2, 2026 ballot.

BACKGROUND

The Board of Supervisors approved a general sales tax ordinance which, subject to majority approval by voters, would impose a one-half cent general sales tax through October 1, 2031.

The ordinance would establish a nine-member oversight committee to ensure fiscal accountability for the revenues. The committee would review the use and allocation of sales tax revenues, including the County's independent audit, which takes place yearly. They would also make recommendations to the Board regarding allocations of general fund revenues being generated by the tax and produce an annual report to be considered by the Board at a public meeting. The committee would not have responsibility for decision-making authority on spending priorities, financing plans, or tax rate projections or assumptions, and would have no authority to direct County staff or officials.

In appointing members to the citizens oversight committee, the Board would give special consideration to organizational representatives most impacted by H.R.1 cuts. Committee members must either reside or work in Los Angeles County, would serve three-year terms, and can be reappointed at the Board's discretion.

The ordinance specifies that the nine-member committee would include:

- One member appointed by SEIU 721 representing County health care workers.
- One member from the Los Angeles County Department of Public Health.
- One member from the Los Angeles County Department of Health Services.
- One member appointed by SEIU 2015 representing in-home supportive services workers.
- One member appointed by each member of the Board of Supervisors, representing community health clinics, public agencies, nonprofit organizations, and/or reproductive health agencies.

The Auditor-Controller is also required to make a report to be prepared by an independent auditor and filed with the Board by March 31st of each year until all funds are used. The report would list the amount of sales tax proceeds collected and spent during the year and describe the status of the projects, services, or programs funded by the taxes.

The Board also directed the CEO, through LAIR, to support relief necessary to implement the measure upon voter approval, including any needed exemptions caps.

The motion to initiate the ballot measure also adopts a spending plan expressing the Board's intent, subject to the County's annual budget process, to allocate revenues generated by the tax, if approved by the voters, as follows:

- Up to 45% to the Department of Health Services to fund a program providing no-cost or reduced-cost care to uninsured, low-income County residents through a limited network of nonprofit partner providers.
- 5% allocated proportionately based on patient visits to nonprofit health agencies serving low-income and underserved populations, primarily providing family planning and reproductive health services (I.E Planned Parenthood).
- 4% for school-based health needs and programs as determined by the governing board of L.A. Care Health Plan.
- 10% to the Department of Public Health to support core public health functions and health equity grants.
- 3% to the Department of Public Social Services for Medicaid outreach, enrollment, and work or volunteer programs.
- 2.5% to Correctional Health Services.
- 22% to safeguard Department of Health Services public hospital and clinic services.
- 5% to support qualifying nonprofit safety-net hospitals meeting specified criteria.
- 2.5% for In-Home Supportive Services for seniors and individuals with disabilities, with a priority on wages and benefits for IHSS providers.
- 1% to provide financial support to the City of Pasadena Public Health Department and the City of Long Beach Department of Health and Human Services, allocated proportionately based on prior public health expenditures.

Unless it is specified, all non-County hospital funds would be distributed in a case by case, needs based manner based on Medicaid emergency department volume.

Board of Supervisors motion and proposed ordinance available on request.

RECOMMENDATION

Review the information and provide direction if any.