
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 1076 (Addis) - Qualified ABLE Program: CalABLE accounts: funding

Version: July 2, 2025

Policy Vote: HUMAN S. 5 - 0, REV. &
TAX. 5 - 0

Urgency: No

Mandate: No

Hearing Date: August 18, 2025

Consultant: Agnes Lee

Bill Summary: AB 1076 would authorize CalABLE moneys to be used to encourage eligible individuals to create a CalABLE account or maximize account participation by engaging public awareness about the CalABLE program.

Fiscal Impact:

- Unknown potential General Fund cost pressures to provide additional funding for public awareness activities.
- The State Treasurer's Office indicates minor and absorbable costs for state operations.
- The Franchise Tax Board anticipates minimal costs for implementation.

Background: In 2014, the federal Achieving a Better Life Experience (ABLE) Act was signed into law and provided that individuals with disabilities could save moneys without impacting eligibility for means-tested public benefits, such as Medicaid and Supplemental Social Security (SSI). California's version, the CalABLE program, is administered by the CalABLE Act Board within the State Treasurer's Office. Current law defines individuals eligible for CalABLE accounts as someone who developed their disability before the age of 26. Effective January 1, 2026, an individual may be eligible before the age of 46.

Current law requires the CalABLE Act Board to segregate moneys coming into the ABLE program trust into the following two funds:

- The program fund, which is continuously appropriated; and,
- The administrative fund, which is available upon appropriation by the Legislature.

All moneys paid by designated beneficiaries or eligible individuals in connection with ABLE accounts must be deposited and received into the program fund, promptly invested, and accounted for separately. Funds from a CalABLE account can be used for a wide range of qualified disability expenses, which include but are not limited to education, housing, transportation, employment training and support, assistive technology, personal support services, health care expenses, and financial management. Current law requires the CalABLE Act Board to market this program to the extent funds are available to do so.

Proposed Law: Specific provisions of the bill would:

- Require the Franchise Tax Board to revise taxpayer form instructions, for returns required to be filed, to include information about the ability of a taxpayer to directly deposit a portion of the refund into the CalABLE Program Trust, as defined.
- Require the CalABLE Act Board to provide the Franchise Tax Board with a description of the CalABLE Program Trust on or before a specified date provided by the Franchise Tax Board.
- Authorize CalABLE grants, gifts, legislative appropriations, and other moneys to also be used to encourage eligible individuals to create an account or maximize account participation by engaging public awareness about the program; authorize the CalABLE Act Board to target specific subgroups of eligible individuals; and authorize the CalABLE Act Board to partner with other public, private, or nonprofit entities to facilitate or administer such moneys.

-- END --