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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair  
2025 - 2026 Regular

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<b>Bill No:</b>	AB 146	<b>Hearing Date:</b>	September 10, 2025
<b>Author:</b>	Committee on Budget		
<b>Version:</b>	September 8, 2025 As amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Elizabeth Schmitt		

**Subject:** Human Services

**Summary:** Provides for statutory changes necessary to enact human services related provisions of the Budget Act of 2025.

**Proposed Law:** Makes technical changes to clarify references to the CalWORKs appraisal tool.

- 1) Establishes due process procedures for the CalWORKs Housing Support Program, the Home Safe Program, the Bringing Families Home Program, and the Housing and Disability Income Advocacy Program (HDAP). States legislative intent that the processes, described below, are sufficient to meet applicable due process requirements for these programs. States legislative intent to promote the fair and expeditious resolution of disputes through the creation of complaint resolution processes and to establish minimum standards for the development of housing plans.
- 2) Requires counties opting to participate in the CalWORKs Housing Support Program, the Home Safe Program, the Bringing Families Home, and HDAP to have written program policies and make them available to the public.
- 3) Requires counties opting to participate in the four housing programs described above to implement and conduct local complaint resolution processes according to minimum requirements developed by the California Department of Social Services (CDSS).
- 4) Requires minimum standards developed by CDSS to include the following elements:
  - a. A statewide standardized notice informing applicants and recipients of the complaint resolution process, including the right to submit a complaint within 30 days from the date of the county action that gave rise to the complaint, with a good cause exemption for complaint submissions after 30 days. Requires this information to be provided in writing at the time of enrollment and discontinuance from the program.
  - b. An objective decision-maker who was not directly responsible for the county action that gave rise to the complaint and who has knowledge of program requirements and departmental guidance.

- c. The right for any party to the complaint to present information in support of the complaint, and the right for any party to the complaint to request a meeting to present information within 30 days, as specified.
  - d. A written decision describing the outcome of the complaint, as specified, within 30 days following receipt of the complaint or 15 days following a meeting.
  - e. Any other criteria or guidance determined by CDSS, in collaboration with counties and client advocates.
- 5) Requires CDSS to develop program guidance on a procedure for counties to inform program recipients in writing of housing-related services and assistance provided. Requires this procedure to include advance notice when services or assistance will be reduced or discontinued. Requires this guidance to include, at a minimum, the following elements:
  - a. The provision of a written housing plan. Requires the housing plan to be developed in coordination with the recipient, consistent with the requirements of Housing First (as specified in Welfare & Institutions Code 8255), and describe the start and end dates of specified services. Requires this plan to be provided upon enrollment and updated when housing-related services or financial assistance change.
  - b. Notification and an explanation if a person's recurring housing-related direct financial assistance is being reduced or discontinued prior to its planned expiration date. Requires such a notice to include information about alternative housing supports and services.
  - c. A formal process for discontinuing a recipient from a program, including a written reason for the discontinuance. This includes discontinuance as a result of program closure or caseload reduction.
  - d. Any other criteria determined by CDSS in collaboration with counties and client advocates.
- 6) Provides the right for a recipient dissatisfied with a decision issued pursuant to the county-level complaint resolution process to file a request within 30 days to CDSS for a state administrative hearing conducted by an administrative law judge for county actions resulting in a reduction or discontinuance from program services.
- 7) Establishes that an administrative hearing decision may determine whether a county action is incorrect and a process to order the county to reenroll the recipient into the program, subject to the availability of funds. Further establishes that if a county action for reduction or discontinuance is deemed incorrect, the decision shall either order the county to continue providing the services in effect prior to the incorrect action, or order the county to reevaluate the housing-related services or financial assistance. Allows an administrative law judge to render a

decision, or order a county to issue a decision, in certain cases if the county failed to provide a county-level complaint resolution process or issue a timely decision.

- 8) Requires a county to notify CDSS at least 30 days in advance of program-wide caseload reductions or program interruptions or closures, as specified.
- 9) Establishes that there is no right to an administrative hearing for county actions resulting from program closures or caseload reductions due to insufficient funding, if the county has provided notice to the recipients, as specified. Allows for an appeal to be administratively dismissed without a hearing if the administrative law judge is made aware that a program closes while a hearing is pending.
- 10) Allows local assistance funds to be used to implement the state-level administrative hearing process in the absence of an appropriation for administrative resources. Requires CDSS to prioritize available funding for state set asides from local assistance allocations or other administrative funding prior to the Budget Act of 2025 for purposes of implementing the state-level administrative hearing process. Allows set aside funds from the CalWORKs Housing Support Program and Housing and Disability Income Advocacy Program, and if applicable, other programs, to be used to implement the state hearing process, not to exceed one percent of total funds for those programs in a given fiscal year.
- 11) Allows for the use of at least \$951,000 in local assistance funds to be used to implement the state administrative hearing process. Requires any changes to local assistance funds needed for implementing the state administrative hearing process to be reported to counties, client advocates, and the Legislature. Commencing February 1, 2028 and each year thereafter, requires CDSS to report on county costs to implement the county-level complaint resolution processes and participating in state hearings. Requires this report to include the number of county-level complaints, number of state hearing requests, and number of cases which proceeded to state hearings.
- 12) Requires CDSS to establish criteria for recipients to receive assistance pending the resolution of a complaint and a state hearing.
- 13) Requires CDSS to establish criteria for collecting overpayments for assistance pending received by a recipient in the event that the county action reducing or discontinuing the assistance is determined correct. Allows for overpayment collections to be waived due to good cause.
- 14) Requires CDSS to issue guidance to counties to implement the county-level complaint resolution process and state administrative hearing process within 18 months of the effective date of the bill. Requires counties to implement guidance within six months of that date, and makes the right to file a request for an administrative hearing, and the right to receive assistance pending a hearing decision, operative upon county and state implementation of the guidance.

- 15) Establishes that the county-level complaint resolution process and the state-level administrative hearing process are the sole administrative remedies available to any applicant or recipient of the CalWORKs Housing Support Program, the Home Safe Program, the Bringing Families Home Program, and HDAP.
- 16) Requires CDSS to consult with counties and client advocates on the development of the county-level complaint resolution process and the state-level administrative hearing process. Allows CDSS to implement and administer the requirements by means of written instructions.
- 17) Removes the August 15, 2025 deadline by which CDSS must implement the prepopulated semiannual report for the CalFresh program. This effectively pauses implementation and automation of the pre-populated semiannual report in consideration of this policy's unknown effects on the state's CalFresh payment error rate, in response to H.R. 1.
- 18) Establishes legislative intent that California's state cost share for CalFresh benefits pursuant to the recently enacted federal H.R. 1 be reduced to the greatest extent possible by reducing the CalFresh error rate. Expresses further legislative intent that such efforts to reduce the state's CalFresh payment error rate mitigate adverse impacts or restrictions for CalFresh applicants and recipients and do not result in a reduction in the eligible population accessing benefits.
- 19) Allows CDSS, until October 1, 2027, and when necessary to reduce the CalFresh payment error rate, to implement and administer the CalFresh program by means of all-county letters and emergency regulations. Prohibits all-county letters and emergency regulations adopted in this manner from impeding or reducing an applicant's access to benefits for which they are eligible. Exempts initial emergency regulations from review by the Office of Administrative Law, but requires they be shared with the County Welfare Directors Association of California, the exclusive representatives of CalFresh eligibility workers, client advocates, and legislative staff for review and feedback. Allows emergency regulations to remain in effect for no more than 180 days, by which time final regulations are adopted.
- 20) Creates an exemption from public contracting requirements for agreements between CDSS and any entity executed prior to October 1, 2027 for the purpose of reducing the state's CalFresh payment error rate.
- 21) Requires CDSS to consult with various stakeholders beginning in September 2025 and through the duration of the multi-year activities intended to reduce the state's error rate as a result of H.R. 1.
- 22) Requires CDSS, from November 2025 through November 2027, to update the Legislature quarterly on the multi-year activities intended to reduce the state's error rate as a result of H.R. 1. Requires these updates to include information on emergency regulations, contracts, and income verification methods.

23) Delays implementation of the CalFresh pre-release program workgroup by two years, from February 1, 2026 to February 1, 2028.

24) Makes technical and conforming changes.

**Fiscal Effect:** Appropriates \$3.2 million from the General Fund to CDSS for automation related to CalFresh payment error rate mitigation and implementation of federal H.R. 1.

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