

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1775 (Ward) – As Introduced February 9, 2026

Policy Committee:	Military and Veterans Affairs	Vote:	8 - 0
	Business and Professions		16 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill requires the Department of Consumer Affairs (DCA) to expedite licensure for an applicant who has served as an active-duty member of the United States (U.S.) Armed Forces and received a discharge solely as a result of federal action to restrict military service by transgender individuals.

This bill also requires the California Department of Veterans Affairs (CalVet) to prioritize, for services provided under the Veteran’s Military Discharge Upgrade Grant Program, veterans who demonstrate their less-than-honorable characterization of service was connected to a mental health condition, traumatic brain injury, sexual assault or harassment, or sexual orientation, or who demonstrate their characterization of service was connected to gender identity.

Finally, this bill requires CalVet to establish the Veteran’s Housing and Supportive Services Grant Program, subject to an appropriation by the Legislature.

Specifically, this bill:

- 1) Requires a regulatory board under DCA to expedite, in the same manner as for an applicant who was honorably discharged, an initial license for an applicant who served as an active-duty member of the U.S. Armed Forces and received a discharge solely as a result of federal Executive Order (EO) No. 14183 issued on January 27, 2025, and to include in its annual report to the Legislature the number of such applications.
- 2) Requires CalVet, under the existing Veteran’s Military Discharge Upgrade Grant Program, to fund service providers who, at no cost, rather than at low or no cost, will educate veterans about discharge upgrades and assist veterans in filing discharge upgrade applications.
- 3) Requires, rather than allows, CalVet to prioritize veteran recipients of services under the grant program in item 2, above, who can demonstrate their less-than-honorable characterization of service was connected to a mental health condition, traumatic brain injury, sexual assault or harassment, or sexual orientation, and adds to the program’s prioritization requirements, veterans who can demonstrate their characterization of service was connected to gender identity.
- 4) Requires CalVet, subject to an appropriation by the Legislature, to establish the Veteran’s Housing and Supportive Services Grant Program to help fund service providers who offer no-cost housing assistance and supportive services for veterans being discharged from

service. CalVet must develop criteria, procedures, and accountability measures necessary to implement the program.

- 5) Requires CalVet, under the new grant program, to prioritize veteran recipients of services who can demonstrate their less-than-honorable characterization of service was connected to a mental health condition, traumatic brain injury, sexual assault or harassment, or sexual orientation or who are able to demonstrate their characterization of service was connected to gender identity.

FISCAL EFFECT:

1) CalVet:

- a) Ongoing General Fund cost pressures of an unknown amount but potentially in the high hundreds of thousands to the low millions of dollars annually to establish, administer, and provide grants for the new Housing and Supportive Services Grant Program. CalVet indicates it may incur administrative costs associated with developing program criteria, clarifying eligibility and prioritization requirements, awarding and overseeing grants, and ensuring program accountability. This program is subject to an appropriation by the Legislature and actual costs depend on the level of funding provided and the final statutory framework adopted.
- b) GF cost pressures of an unknown amount resulting from the new requirement that discharge upgrade services be provided at no cost.

The author is requesting \$5.5 million in the 2026-27 state budget to support this bill, including \$5 million for housing assistance and \$500,000 for the discharge upgrade program.

2) DCA:

- a) Minor and absorbable implementation costs, depending on the need to verify the number of people impacted by the EO and to validate their eligibility.
- b) One-time IT costs of \$197,000 to update application language for all programs that accept online applications and update paper applications on the program's specific website. DCA indicates this cost is absorbable by redirecting existing resources if delayed implementation is granted.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

- 1) **Purpose.** This bill is co-sponsored by Equality California, Out in National Security, and SPARTA Pride. According to the author:

[This bill] is a vital lifeline to ensure we provide critical housing, employment, and transition-to-civilian-life support for service members being discharged from the U.S. military due to President Donald Trump's EO 14183, which targets transgender service members. These service members are being forced out of service not

because of misconduct or performance, but because of who they are. [This bill] ensures that California does not compound that injustice by leaving veterans without housing, jobs, or a clear path to stability.

- 2) **Background.** On January 27, 2025, President Trump signed EO 14183, which called for the removal of transgender individuals from military service. While two federal courts initially blocked the ban, the U.S. Supreme Court lifted those injunctions on May 6, 2025, enabling the U.S. Department of Defense to commence the discharge of transgender personnel. Supporters assert:

As documented by national experts and advocates, the implementation of this policy has created widespread fear, confusion, and instability. Thousands of service members now face the prospect of forced separation, often under compressed and uncertain timelines, with little clarity about their benefits, discharge status, or future. These abrupt separations can immediately cut off pay and benefits, leaving veterans unable to secure housing or transition smoothly into civilian employment.

Existing law requires boards and bureaus under the DCA to expedite applications from honorably discharged veterans, with the goal of enabling these individuals to quickly transition into civilian employment upon retiring from service. The author contends California law should expressly provide that programs intended to support honorably discharged service members obtain professional licenses are available to individuals discharged as a result of EO 14183, regardless of how the discharge is officially processed by the Department of Defense.

This bill provides transgender service members subject to involuntary separation from the armed forces under EO 14183 eligibility for expedited professional licensing under DCA, as well as priority access to both discharge upgrade services through the Veteran's Military Discharge Upgrade Grant Program and housing services through a newly established housing program for discharged veterans.

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