

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2072 (Solache) – As Introduced February 18, 2026

Policy Committee: Human Services

Vote: 6 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

**SUMMARY:**

This bill creates the state CalFresh and WIC Contingency Fund to, upon appropriation, maintain continuity of benefits under the CalFresh and California Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) programs during a federal government shutdown through January 20, 2029.

The bill also authorizes the California Department of Public Health (CDPH) to obtain short-term financing to maintain WIC services with a federal government shutdown.

Among its provisions, this bill:

- 1) Requires moneys in the fund to be available, upon appropriation by the Legislature, to the California Department of Social Services (CDSS) for the CalFresh program and to CDPH for the WIC program, solely for the purpose of maintaining continuity of CalFresh or WIC benefits, as applicable, during a federal government shutdown or other federal appropriations lapse, subject to specified conditions.
- 2) Prohibits moneys in the fund from being used to expand eligibility, increase benefit levels beyond federally authorized amounts, or supplant existing state obligations unrelated to a federal funding lapse.
- 3) Authorizes CDPH, during a federal government shutdown or other funding lapse affecting the WIC program, to obtain a temporary loan, line of credit, or other short-term financing to maintain uninterrupted WIC services and benefit issuance, as specified.
- 4) Requires CDSS and CDPH to seek federal reimbursement for expenditures made from the contingency fund or for loan repayments.
- 5) Requires a loan obtained by CDPH pursuant to this bill to be repaid as soon as practicable upon receipt of federal WIC funds or federal reimbursements and authorizes interest and administrative costs associated with the loan to be paid from the fund or from subsequently received federal reimbursements.
- 6) Requires CDSS and CDPH to submit a joint report to the Legislature and DOF detailing specified information within 60 calendar days after the conclusion of a federal government shutdown or other federal lapse during which contingency funds or loan authority were used.

- 7) Sunsets the bill's provisions on January 20, 2029, and requires remaining unencumbered funds revert to the General Fund, as specified.

### FISCAL EFFECT:

This bill will result in General Fund (GF) cost pressures of an unknown amount, likely in the mid-to-high hundreds of millions to low billions of dollars to sustain the contingency fund and provide for one-time and ongoing automation changes and updates, based on the following:

- 1) One-time GF cost pressures in the range of \$535 million to \$1.1 billion to fund the contingency fund sufficiently to cover two weeks to one month of CalFresh, California Food Assistance Program (CFAP) and WIC benefits based on the data below. Because issuances for CFAP are processed by the federal government, CFAP monies are included in a contingency fund. Actual costs will depend on the level of funding appropriated to initiate the fund and the frequency with which the fund must be replenished.

In January 2026, CalFresh benefits totaled \$1.02 billion, or approximately \$238.7 million per week. This total includes federal and state issuances for CalFresh and CFAP. In January 2026, WIC benefits totaled \$84.1 million.

- 2) CDSS estimates one-time GF automation costs of \$350,000 to \$375,000 for changes to the California Statewide Automated Welfare System (CalSAWS) and the Electronic Benefit Transfer (EBT) system, including creation of a new benefit type.
- 3) CDSS estimates potential ongoing, intermittent GF costs of \$350,000 to \$375,000 for required CalSAWS and EBT system modifications, including updates to code tables and existing batch jobs for each occurrence of a federal shutdown or lapse in funding until the 2029 sunset date.
- 4) CDPH anticipates minor and absorbable costs to access, distribute, and track contingency funds during a federal shutdown or appropriation lapse.
- 5) Administrative costs, likely GF, of an unknown amount to CDPH to obtain and administer a temporary loan to sustain WIC benefits during a federal government shutdown. These costs will occur only if a shutdown occurs and CDPH chooses to obtain a loan. The bill allows administrative costs for this purpose to be funded from the contingency fund or federal reimbursements to the extent permitted by federal law.

The author is requesting \$500 million in the 2026-27 state budget to initiate the contingency fund.

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 sponsored by the California Retailers Association. According to the author:

The federal government shutdown in November of 2025 left millions of Californians without access to their CalFresh and WIC benefits.

These resources are essential for helping vulnerable Californians put food on the table. [This bill] provides stability for California households and a proactive solution for the state to protect against the uncertainty and hardship experienced during the 2025 federal government shutdown.

- 2) **Background. *CalFresh.*** The CalFresh program is California’s version of the federal Supplemental Nutrition Assistance Program (SNAP), which provides monthly food assistance to qualifying low-income households. CalFresh benefits are 100% federally funded. Costs to administer the program are shared among the federal government, the state and counties. CDSS administers approximately \$12.6 billion federal SNAP funds annually through the CalFresh program, serving approximately 5.5 million CalFresh participants.

***WIC.*** The WIC program is a federally funded program administered by CDPH and counties that provides nutrition assistance, breastfeeding support, and referrals to health services for eligible low-income pregnant and postpartum women, infants, and children under five years of age. CDPH receives approximately \$1.4 billion in federal funding annually for the WIC program, which serves approximately one million participants statewide each month.

Both the CalFresh and WIC programs are dependent on annual federal appropriations.

***Federal Shutdown Impacts.*** During the federal government shutdown, which began October 1, 2025, after Congress failed to pass a federal budget, the USDA Food and Nutrition Service notified states that available federal funds would be insufficient to fully fund November 2025 federal SNAP benefits nationwide. On November 1, 2025, the federal government withheld SNAP benefits for the first time in the program’s history. Following legal action by California and other states, food benefits were restored on November 6, 2025. However, many households experienced delays or temporary gaps in food assistance.

Similar to SNAP, the WIC program faced uncertainty during the shutdown due to its reliance on federal appropriations. Federal officials warned funding could be depleted within weeks, but more than \$1 billion in temporary federal funding actions sustained WIC during the shutdown.

Following the end of the shutdown, the federal government restored full SNAP funding and fully funded WIC through September 30, 2026, the end of the current federal fiscal year.

To protect against potential future loss of federal funding, this bill creates a state contingency fund to be used to maintain CalFresh and WIC benefits during a federal government shutdown or funding lapse through January 20, 2029. The bill also allows CDPH to obtain short-term financing to maintain WIC services, with repayment expected from federal reimbursements.

- 3) **Related Legislation.** AB 1211 (Sharp-Collins), of this legislative session, would have required CDSS, if the federal government reduced SNAP benefits, to ensure CalFresh benefits remained at least at the level in effect on January 20, 2025, and to use state funds if federal funding was insufficient, among other things. AB 1211 was held on this committee’s suspense file.

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