

ASSEMBLY THIRD READING

AB 2765 (Ahrens)

As Amended April 13, 2026

Majority vote

SUMMARY

Revises and expands the California Work Opportunity and Responsibility to Kids (CalWORKs) recurring special needs allowance by increasing the maximum monthly amount from \$10 to \$15 per eligible recipient. Authorizes the California Department of Social Services (CDSS) to extend the allowance to CalWORKs-eligible households who are receiving aid under other provisions of the Welfare and Institutions Code to mitigate harm from federal Supplemental Nutrition Assistance Program (SNAP) cuts and authorizes the recurring special needs allowance to be provided in the form of an equivalent food benefit. Requires CDSS to seek a federal waiver from the United States Department of Agriculture (USDA) to exempt foster youth and former foster youth from any cuts to their SNAP benefits as a result of the federal able-bodied adults without dependents (ABAWD) time limit.

Major Provisions

- 1) Revises the recurring special needs allowance, which include, but are not limited to, special diets prescribed by a physician for non-pregnancy-related conditions and unusual costs for transportation, laundry, housekeeping services, telephone and utilities, to be provided in addition to CalWORKs aid to each needy family, by increasing the maximum monthly amount from \$10 to \$15 per eligible recipient multiplied by the number of recipients in the family who are eligible for assistance.
- 2) Authorizes, subject to CDSS' discretion to establish a mechanism implementing this provision, a household that receives aid under any provision of the Welfare and Institutions Code and that is also eligible for CalWORKs aid, regardless of whether the household receives CalWORKs aid, to receive a recurring special needs allowance in order to prevent immediate child suffering and long-term harm caused by prolonged periods of childhood hunger or other unmet needs that will result from federal House Resolution 1 (H.R. 1; Public Law 119-21), signed by United States (U.S.) President Donald J. Trump on July 4, 2025, if unmitigated.
- 3) Authorizes, subject to CDSS' discretion to establish a mechanism implementing this provision, the recurring special needs allowance to be provided instead in the form of a food benefit that is equivalent in value to the special needs allowance.
- 4) Defines, for purposes of these provisions, "ABAWD participant" to include a parent or other member of a household with responsibility for a dependent child 14 years of age or older as a result of federal H.R. 1, signed by U.S. President Donald J. Trump on July 4, 2025.
- 5) Requires CDSS to seek a waiver from the USDA to protect the most vulnerable foster youth from experiencing hunger as a result of the cuts to their assistance resulting from federal H.R. 1, signed by U.S. President Donald J. Trump on July 4, 2025. Requires the waiver to request that foster youth and former foster youth 24 years of age or younger who were in foster care on the date of attaining 18 years of age or an older age be exempted from any cuts to their SNAP benefits as a result of the new SNAP time limit for this population as set forth in Public Law 119-21.

- 6) Requires CDSS to issue an all-county letter to implement the waiver within three months after receiving approval for the submitted waiver and, to the extent allowable under federal law and guidance or a waiver thereof, to instruct counties of steps that they may take to maximize the ability of foster youth participating in any of the following programs to be automatically deemed exempt from, or in compliance with, the ABAWD time limit described in state law:
 - a) Transitional Independent Living Plan;
 - b) Guardian Scholars Program;
 - c) Foster Youth Success Initiative;
 - d) Cooperating Agencies Foster Youth Educational Support, also known as NextUp;
 - e) Chafee Education and Training Voucher Program; and,
 - f) Extended Foster Care.
- 7) Provides that no appropriation shall be made for purposes of these provisions.

COMMENTS

Background: *CalWORKs* is the state's primary cash assistance program. More specifically, CalWORKs implements the federal TANF program, which is a federal flexible block grant with the objective of providing income and support to families with children. CalWORKs provides eligible low-income families with cash grants through an EBT card, education, employment and training programs, and supportive services to give families opportunities to build resilience and achieve critical economic mobility.

Current law authorizes additional assistance for CalWORKs families that incur necessary costs not common to the majority of recipients, such as unusual transportation or laundry expenses. Specifically, a monthly allowance of up to \$10 per eligible household member may be provided to address recurring special needs. These allowances may also cover costs associated with therapeutic diets, excluding pregnancy-related needs, when recommended by a physician. Approval of any special need is contingent on verification of the expense, its necessity, and its duration, and must be reassessed at regular reporting intervals.

This bill increases the maximum recurring special needs allowance from \$10 to \$15 per eligible household member and authorizes, subject to CDSS' implementation, the provision of this allowance to certain households eligible for CalWORKs, even if not currently receiving aid, to address unmet needs associated with federal changes enacted under H.R. 1 (Public Law 119-21).

CalFresh, California's implementation of the federal SNAP, is the state's largest food assistance program and primary lifeline for residents struggling with food insecurity. Administered by CDSS and county human services agencies, CalFresh provides monthly food benefits via an EBT card that can be used to purchase eligible food such as fruits and vegetables, meat, dairy products, and seeds at authorized retailers, including grocery stores and farmers' markets.

In 2024-25, about 5.5 million Californians received over \$12.5 billion in federally funded CalFresh benefits, with an average monthly benefit of about \$192 per person, or \$6.46 per day. Research shows SNAP reduces food insecurity by about 20% overall and by 33% among children. The Public Policy Institute of California estimates CalFresh kept approximately 856,000 Californians out of poverty in 2023, including 312,000 children,¹ making it the state's largest poverty-reduction program.

This bill authorizes the CalWORKs recurring special needs allowance to be provided as a food benefit of equivalent value.

CalFresh/Supplemental Nutrition Assistance Program Changes in H.R. 1: Able-Bodied Adults Without Dependents Time Limits. On July 4, 2025, H.R. 1 was signed into law and made significant changes to ABAWD time-limit rules by expanding the age range subject to the time limit, narrowing exemption criteria, and limiting state and county waiver eligibility. These changes take effect June 1, 2026, and are expected to increase the number of individuals subject to the time limit and at risk of losing CalFresh benefits unless they qualify for an exemption or meet work requirements.

Under CalFresh rules, ABAWDs are generally limited to three months of benefits within a 36-month period unless they qualify for an exemption, meet work requirements, which is an average of 20 hours per week or 80 hours per month, live in an area with a time-limit waiver, qualify for an additional three-month eligibility period, or receive a discretionary exemption. While H.R. 1 does not change the overall structure of the ABAWD time-limit policy, it significantly changes who is subject to the time limit and who qualifies for exemptions.

According to All County Letter (ACL) 25-93,² federal law previously defined ABAWDs as individuals 18 through 49 years of age without dependents who did not qualify for an exemption. The Fiscal Responsibility Act of 2023 increased the upper age limit to 54 years of age, and H.R. 1 further increased the upper age limit to 64 years of age. Individuals 60 through 64 years of age remain exempt from general work requirements due to age, but may still be subject to the ABAWD time limit unless they qualify for another exemption. Individuals are no longer considered ABAWDs beginning the month they turn 65 years of age.

H.R. 1 also made significant changes to ABAWD exemptions by eliminating temporary exemptions for veterans, individuals experiencing homelessness, and former foster youth under 25 years of age. H.R. 1 modified the dependent child exemption by limiting it to individuals responsible for the care of a dependent child under 14 years of age, rather than individuals living with a child under 18 years of age.

CDSS estimates that the expanded ABAWD definition will increase the affected population from about 345,400 to 954,800 individuals, with approximately 665,500 individuals expected to be subject to the time limit and potentially lose CalFresh eligibility, including 250,000 individuals who have been identified as homeless. The remaining 289,000 individuals are expected to either meet work requirements or qualify for an exemption. CDSS expects these discontinuances to occur gradually over 12 months during annual recertifications. On April 7, 2026, the Department

¹ <https://www.ppic.org/publication/poverty-in-california/>

² <https://cdss.ca.gov/Portals/9/Additional-Resources/Letters-and-Notices/ACLs/2025/25-93.pdf?ver=Ib9riEMEV474i6-xtntg4g%3d%3d>

of Finance approved \$20 million GF to provide counties one-time funding to support administrative readiness efforts for the June 1, 2026, implementation of H.R. 1 ABAWD provisions.

This bill defines ABAWD participants to reflect federal changes affecting parents of children 14 years of age or older and requires CDSS to seek a federal waiver to protect foster youth and former foster youth from SNAP time limit impacts. *This bill* also requires CDSS to issue guidance to counties on maximizing exemptions for foster youth participating in specified education and support programs.

According to the Author

"This bill addresses the cuts to critical benefits for food security across the State of California. Just because families have children over the age of 14, or are a part of vulnerable groups such as veterans, foster youth or are experiencing homelessness does not mean that they should have to worry about where or how they are going to fund their next meal after three-months.

"The waiver of the three-month, so-called "Able Bodied Adult Without Dependent" time requirement threatens the food safety benefits of approximately 610,000 CalFresh beneficiaries as they will soon be subject to work requirements for their benefits, even though 115,000 of these individuals currently work 20 hours or more hours per week, the other 495,000 are subjected to discontinuance of benefits when these changes come into effect on July 1st, 2026. During this period of significant food inflation, these cuts to food benefits threaten the fabric of our social safety nets and, without a doubt, will increase the number of children in our state experiencing the indignity of hunger.

"As someone who has experienced what it feels like to worry about where your next meal comes from, I am asking my colleagues in the Legislature to remember that we have an obligation to protect the children in our state. While there are many ways that our capacity to do so is limited, this is not the case when it comes to hunger. We can and have reduced child hunger in our state. We can't let HR 1 undo that progress and we must make sure as few individuals and families as possible go hungry in our Golden State."

Arguments in Support

According to SEIU, co-sponsor of the bill, "This bill seeks to address the impact of the federal social safety net benefit cuts that were caused by H.R. 1, making the largest-in-history cuts to the SNAP, known as CalFresh in California.

"SEIU workers are the public employees who determine CalFresh and CalWORKs eligibility, helping low-income California residents access essential food and cash assistance, including nearly half a million families with children. [This bill] will impact our workforce by reducing hunger among those affected by changes in SNAP eligibility as a result of H.R. 1.

Specifically, [this bill] will provide hunger relief to children 14–18 years of age and foster youth, and it will increase the allowance amount a CalWORKs-eligible family is able to receive for recurring special needs to prevent immediate child suffering and long-term harm caused by prolonged periods of childhood hunger or other unmet needs, if unmitigated."

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Appropriations Committee on May 6, 2026:

- 1) Ongoing General Fund (GF) costs of an unknown amount, but likely in the millions of dollars annually to increase the recurring special needs payment amount from \$10 to \$15 for those currently eligible under CalWORKs and to also provide payments to an unknown number of families who are eligible for but not receiving CalWORKs aid. Based on data from October 2025, there were 1.2 million individuals on CalFresh that were estimated to be eligible for CalWORKs but not participating in the program. In addition, if the federal waiver is approved, a small number of individuals who would otherwise lose eligibility will remain in the caseload.
- 2) One-time GF automation costs of approximately \$3.77 million to update the California Statewide Automated Welfare System (CalSAWS) and Benefits, completed no sooner than 12 months after CDSS issues guidance to counties. This cost includes changes related to the recurring special needs allowance and updates to identify foster youth who qualify for the ABAWD exemption.
- 3) Ongoing administrative costs to counties of an unknown amount, but likely significant depending on caseload, to issue the new recurring special needs payments. These costs are likely reimbursable by the state GF, subject to a determination by the Commission on State Mandates.

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.

VOTES**ASM HUMAN SERVICES: 5-1-1**

YES: Lee, Calderon, Elhawary, Blanca Rubio, Ahrens

NO: Tangipa

ABS, ABST OR NV: Castillo

ASM APPROPRIATIONS: 11-2-2

YES: Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

NO: Dixon, Tangipa

ABS, ABST OR NV: Hoover, Ta

UPDATED

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