

ASSEMBLY THIRD READING
AB 2769 (Ahrens)
As Introduced February 20, 2026
Majority vote

SUMMARY

Allows specified nonminors to maintain eligibility for the Adoption Assistance Program (AAP) beyond their 18th birthday while they complete high school or vocational or technical training.

Major Provisions

- 1) Extends AAP eligibility, effective January 1, 2027, to a nonminor who is 18 years of age, is under an adoption assistance agreement that became effective before the nonminor's 16th birthday, was, prior to attaining 18 years of age, attending high school or the equivalent level of vocational or technical training on a full-time basis or pursuing a high school equivalency certificate, continues in such attendance, continues to reside with the adoptive parent, and remains otherwise eligible. Specifies that a nonminor described in this paragraph is eligible until the date of completion of the program they are attending or the nonminor's 19th birthday, whichever occurs first.
- 2) Requires the California Department of Social Services (CDSS), to the extent that federal financial participation is unavailable for adoption assistance payments, to ensure that state-realigned funding is available for those payments, consistent with existing law related to aid for the adoption of children and existing fiscal structures.

COMMENTS

Background: *The Adoption Assistance Program*. AAP provides monthly cash payments and Medi-Cal coverage to families who adopt children with special needs from foster care. AAP's core purpose is to remove financial barriers to adoption by ensuring that the costs associated with a child's special needs do not deter prospective adoptive parents from providing a permanent home. AAP benefits are paid on behalf of the child, not to the adoptive parent as a personal benefit, and are calibrated to the child's level of care, equivalent to the foster family home rate the child received prior to adoption, with the possibility of specialized care increments for children with documented physical, mental, emotional, or medical needs. Benefits include a monthly cash subsidy, Medi-Cal eligibility, and, in some cases, access to wraparound services. The adoption assistance agreement, negotiated between the adoptive family and the county prior to finalization of the adoption, governs the terms and amount of benefits and is generally not modified once signed.

To be eligible for AAP, a child must meet several criteria: the child cannot or should not be returned to the home of their parents; the child has at least one characteristic that constitutes a barrier to adoption without financial assistance, such as age, race or ethnicity, membership in a sibling group, or a physical, mental, or emotional disability; an unsuccessful search for an adoptive home without financial assistance has been documented or waived; and the adoptive family has signed an adoption assistance agreement prior to or at the time the adoption decree is issued. California's AAP is considered among the most expensive in the country, with broad eligibility categories and payment levels that reflect the full foster care rate.

Realignment. AAP became a realigned program under 2011 Realignment, which shifted primary fiscal and administrative responsibility for several child welfare programs, including foster care assistance and AAP, from the state General Fund to counties. Counties administer AAP and are responsible for determining eligibility, negotiating assistance agreements, and making monthly payments. The state-county funding structure is layered and provides that, where a child meets federal Title IV-E eligibility criteria, the federal government reimburses a portion of costs at the Federal Medical Assistance Percentage, which ranges from 50-83% depending on the state's per capita income. The non-federal share of costs for federally eligible children, and the full cost of state-only eligible children, are borne by counties. When realignment revenues in a county's subaccount are insufficient to cover program expenditures, CDSS has mechanisms for the redistribution of surplus revenues from other counties.

Adoption Assistance Program Population. AAP serves children and youth adopted from the child welfare system who have characteristics that make them harder to place without financial support. The population is predominantly older children, children with disabilities, sibling groups, and children from racial and ethnic groups that are historically underrepresented in adoptive placements. California's foster care population disproportionately consists of children of color, particularly Black and Native American children, who face compounding barriers to permanency and are more likely to age out of the system without a permanent family. AAP is a critical financial tool that enables adoptive families, many of whom are relatives or former foster parents, to provide permanent homes for these children without absorbing the full financial burden of the child's care.

This bill addresses a subset of AAP recipients: nonminors who turned 18 years of age while enrolled in high school or an equivalent program full-time, whose AAP agreement became effective before their 16th birthday, and who have not yet completed their high school program at the time they turn 18 years of age.

Under current law, these youth lose AAP eligibility at 18 years of age unless they meet the broader criteria for extended benefits which require the agreement to have become effective at or after 16 years of age. Youth whose agreements were entered into earlier in childhood, often in infancy or early childhood, are ineligible for that extended category.

Federal Framework and Age Cap Constraints. Federal law authorizes federal reimbursement for AAP payments to youth beyond their 18th birthday, up to 21 years of age, in limited circumstances. Federal law requires that for a youth 18 years of age or older to be eligible for federally reimbursed adoption assistance, the youth must meet one of five participation criteria: completing high school or an equivalency program; enrolled in postsecondary or vocational education; participating in a program designed to promote or remove barriers to employment; employed at least 80 hours per month; or incapable of meeting any of these criteria due to a documented medical condition, which is the same criteria for extended foster care. However, for AAP eligibility past 18 years of age, the youth must also have been at least 16 years of age when the adoption assistance agreement became effective.

This federal restriction is why those whose agreements became effective before 16 years of age, are not eligible for federal financial participation under the extended benefits framework, even if they are actively enrolled in high school at 18 years of age. As a result, *this bill* requires CDSS to ensure state-realigned funding is available for payments made under the new eligibility category, to the extent federal financial participation is unavailable.

According to the Author

"[This bill] seeks to improve educational outcomes for youth formerly in foster care by creating parity between the Adoption Assistance Program (AAP) and the Kinship Guardianship Assistance Payment (Kin-GAP) program. It permits youth adopted before age 16 and still enrolled in high school to receive AAP benefits past age 18 until they graduate or reach age 19.

"The data make the policy implications unmistakable. 83% of children in foster care are retained/held back by the third grade which likely means those youth would still be 19 in their fourth year of high school. School instability, which youth in foster care experience at double the rate of homeless youth, leads to poorer academic outcomes. These gaps are not inevitable—they are the result of systems that fail to provide consistent, equitable support. When outcomes diverge this sharply, it signals a structural problem that demands a structural solution. Strengthening educational stability and removing bureaucratic barriers is not simply an investment in individual students; it is a necessary policy response to a long-standing inequity. Ensuring that youth who have experienced foster care can complete their education is essential to building a more just and effective child welfare system.

"No young person should face an educational barrier simply because of the permanency path chosen when they leave foster care. [This bill] provides stability during the critical transition to adulthood and ensures students and families do not lose financial support before completing their high school education."

Arguments in Support

The Alliance for Children's Rights, the sponsor, writes "[This bill] ensures fairness and consistency between youth supported in permanency in AAP and Kin-GAP by removing an arbitrary disparity based solely on the permanency pathway. By allowing AAP youth the same short-term extension already available to Kin-GAP youth, the bill provides stability during the critical transition to adulthood and ensures students and families do not lose financial support before completing their high school education. Counties already administer the high school completion rule for Kin-GAP, and can readily apply the same framework to AAP, minimizing implementation challenges."

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, potentially in the low- to mid-hundreds of thousands of dollars annually to CDSS to provide AAP benefits to the expanded population. CDSS indicates exact costs are difficult to determine due to the lack of data on the AAP caseload by age.
- 2) Ongoing county administrative costs (GF) of an unknown amount for county child welfare agencies to implement this proposal. Counties currently administer the high school completion rule for a related program and may benefit from the existing framework. Although these county costs are state-mandated costs, they are not reimbursable but instead must be funded by the state pursuant to Proposition 30. Proposition 30 (2012) requires

legislation enacted after September 30, 2012, that has an overall effect of increasing the costs already borne by a local agency for programs or levels of service mandated by realignment (including child welfare services and foster care) to apply to local agencies only to the extent the state provides annual funding for the cost increase.

- 3) One-time automation costs of \$850,000 (GF) for changes to the Child Welfare Services-California Automated Response and Engagement System (CWS-CARES) to provide a new aid code to account for this population.

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: 6-0-1

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

ABS, ABST OR NV: Castillo

ASM APPROPRIATIONS: 15-0-0

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

UPDATED

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