Date of Hearing: March 24, 2026

ASSEMBLY COMMITTEE ON HUMAN SERVICES
Alex Lee, Chair
AB 2072 (Solache) – As Introduced February 18, 2026

SUBJECT: CalFresh and WIC Contingency Fund

SUMMARY: Creates the CalFresh and WIC Contingency Fund (fund) and authorizes the California Department of Social Services (CDSS) and the California Department of Public Health (CDPH), upon appropriation, to use fund moneys to maintain CalFresh and California Special Supplemental Food Program for Women, Infants, and Children (WIC) benefits during a federal government shutdown or lapse in federal appropriations. Authorizes CDPH to obtain a temporary loan, line of credit, or other short-term financing arrangement to maintain WIC benefits during a federal government shutdown or lapse in federal appropriations, with associated interest and administrative costs payable from the fund. Specifically, **this bill**:

1) Creates the CalFresh and WIC Contingency Fund within the State Treasury.

2) Requires, notwithstanding any other law, moneys in the fund to be available, upon appropriation made by the Legislature, to 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 the conditions set forth.

3) Authorizes moneys in the fund to consist of any of the following:

   a) Legislative appropriations;

   b) Transfers authorized in the annual Budget Act;

   c) Federal reimbursements received following the resumption of federal appropriations; or,

   d) Any other funds authorized by law.

4) Authorizes CDSS and CDPH to elect to use moneys in the fund that are appropriated to the respective department pursuant to 2) above. Requires, as a prerequisite for use of the moneys, the respective department to determine that all of the following conditions have been met:

   a) A lapse in federal appropriations has occurred or is imminent;

   b) The lapse has resulted, or is reasonably expected to result, in a disruption, delay, or suspension of CalFresh or WIC benefit issuance, as applicable to the corresponding program; and,

   c) Use of contingency funds is necessary to protect the public health and welfare.

5) Requires, if either of the departments uses appropriated moneys in the fund, the department to subsequently report that use to the Legislature.

6) Prohibits moneys in the fund to be used to expand eligibility, increase benefit levels beyond federally authorized amounts, or supplant existing state obligations unrelated to a federal funding lapse, as applicable to the corresponding program.

7) Authorizes CDPH, notwithstanding any other law, during a federal government shutdown or other federal appropriations lapse affecting the WIC program, to obtain a temporary loan, line of credit, or other short-term financing arrangement for the purpose of maintaining uninterrupted WIC services and benefit issuance.

8) Permits an authorized loan to be obtained from any of the following sources, subject to approval by the Director of Finance:

   a) The Pooled Money Investment Account, in accordance with state law;

   b) Another state special fund with available cash balances; or,

   c) A financial institution, if authorized by the Director of Finance and determined to be in the best fiscal interest of the state.

9) Requires any obtained loan to be repaid as soon as practicable upon receipt of federal WIC funds or federal reimbursements, and shall not extend beyond the fiscal year in which it is issued unless expressly authorized by the Legislature.

10) Authorizes interest and administrative costs associated with the loan to be paid from the fund upon appropriation or from subsequently received federal reimbursements, as permitted by federal law.

11) Requires CDSS and CDPH, to the maximum extent permitted by federal law, to seek federal reimbursement for expenditures made from the fund or for loan repayments.

12) Requires any federal reimbursements received to, as applicable, be used for the loan repayments or be deposited into the fund until the fund is restored to its prewithdrawal balance.

13) Requires, within 60 calendar days after the conclusion of a federal government shutdown or other federal appropriations lapse during which contingency funds or loan authority were used, the two administering departments to submit a joint report to the Legislature and the Department of Finance (DOF) detailing all of the following:

   a) Duration of the funding lapse;

   b) Amounts expended or borrowed;

   c) Number of households and individuals served; and,

   d) Federal reimbursements received or anticipated.

14) Requires the report to be submitted in accordance with state law.

15) Provides that these provisions are severable, and if any provision or application of this fund is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

16) Provides that these provisions become inoperative on January 20, 2029.

17) Sunsets these provisions on January 1, 2030.

18) Requires, notwithstanding 16) above, any necessary provision to effectuate the repayment of loans, the receipt of federal reimbursements, or the preparation and submission of required reports to continue to apply until those obligations are fully satisfied. Declares legislative intent that implementation can be achieved before January 1, 2030.

19) Requires, upon inoperation of this fund, all authority to expend, loan, or encumber moneys from the fund to cease, except as expressly provided for closeout, repayment, and reporting purposes pursuant to 18) above.

20) Requires, upon repeal of this fund, any moneys remaining in the fund that are not encumbered for repayment of loans, outstanding obligations, or administrative closeout costs to revert to the General Fund.

21) Requires DOF to determine the amount of unencumbered funds subject to reversion and to effectuate the transfer to the General Fund as soon as practicable following January 20, 2029.

22) Authorizes CDPH to use moneys in the fund for the purpose of maintaining continuity of benefits under the WIC program during a federal government shutdown or other federal appropriations lapse.

23) Authorizes CDSS to use moneys in the fund for the purpose of maintaining continuity of benefits under the CalFresh program during a federal government shutdown or other federal appropriations lapse.

24) Defines the following terms:

    a) “CalFresh” means the CalFresh program established pursuant to 2) in existing law below.

    b) “Fund” means the CalFresh and WIC Contingency Fund.

    c) “WIC” means the California Special Supplemental Nutrition Program for Women, Infants, and Children (WIC program) established pursuant to 3) in existing law below.

25) Makes the following legislative findings and declarations:

    a) The CalFresh program and WIC program are essential nutrition assistance programs that serve millions of Californians, including low-income children, pregnant and postpartum individuals, seniors, and people with disabilities;

    b) These programs are primarily federally funded and are dependent on annual federal appropriations; A lapse in federal appropriations, including a federal government shutdown, may result in the delay, suspension, or uncertainty of benefit issuance;

c) Interruptions in access to nutrition assistance threaten food security, public health, and economic stability and disproportionately harm vulnerable populations;

d) The state has a compelling interest in ensuring continuity of essential nutrition assistance programs during periods of federal funding disruption; and,

e) It is therefore necessary and appropriate to establish a state contingency funding mechanism to provide temporary financial support to maintain CalFresh and WIC benefits during a federal government shutdown, with the expectation that such funding will be reimbursed when federal appropriations resume, to the extent permitted by federal law.

EXISTING LAW:

State law:

1) Establishes access to sufficient, affordable, and healthy food as a human right and requires state agencies and departments to consider this state policy when it is pertinent to the distribution of sufficient affordable food. (Welfare and Institutions Code [WIC] § 18700)

2) Establishes the CalFresh program to administer the provision of federal Supplemental Nutrition Assistance Program (SNAP) benefits to families and individuals meeting certain criteria, as specified. (WIC § 18900 *et seq*.)

3) Establishes the WIC program to provide nutritional food supplements to low-income pregnant women, low-income postpartum and lactating women, and low-income infants and children under five years of age. (Health and Safety Code § 123275 *et seq.*)

Federal law:

4) Establishes SNAP pursuant to the Food Stamp Act of 1964. (7 United States Code [U.S.C.] § 2011 *et seq*.)

5) Establishes the WIC program to provide nutritious foods, nutrition education, breastfeeding support, and referrals to health services for low-income pregnant, postpartum, and breastfeeding women, infants, and children under five years of age who are determined to be at nutritional risk. (42 U.S.C. § 1786)

FISCAL EFFECT: Unknown, this bill has not been analyzed by a fiscal committee.

COMMENTS:

Background: *Food Insecurity.* The United States Department of Agriculture (USDA) defines food security as consistent access to enough food for an active, healthy life. Despite California declaring food as a human right through SB 628 (Hurtado), Chapter 879, Statutes of 2023, and producing nearly half of the nation’s fruits and vegetables, an estimated 1.75 million California households (12.5%) experienced food insecurity in 2024, according to the Current Population Survey. Contributing factors include income inequality, geographic barriers, and rising food prices.

Food insecurity has significant lifelong impacts. Households often must choose between food and other necessities such as rent or medication. Poor nutrition during pregnancy and early childhood is associated with adverse birth outcomes, developmental delays, and increased illness. Among older children and adolescents, food insecurity is linked to poorer academic performance, behavioral challenges, and higher-risk behaviors. Over time, it contributes to cycles of poverty and chronic diseases such as diabetes, obesity, and heart disease, as well as stress, anxiety, and depression.

CalFresh. CalFresh, California's implementation of the federal SNAP, is the state's largest food assistance program and the primary way of reducing food insecurity. Administered by CDSS and county human services agencies, the program serves low-income families, seniors, people with disabilities, and individuals facing barriers to employment. Recipients receive their monthly benefits via an electronic benefits transfer (EBT) card to purchase eligible food such as fruits and vegetables, meat, dairy products, and seeds and plants that produce food at authorized retailers, including grocery stores, supermarkets, and farmers' markets. In 2024-25, about 5.5 million Californians received over $12.5 billion in CalFresh benefits, all federally funded, with an average monthly benefit of about $192 per person. Eligibility extends up to 200% of the federal poverty level under broad-based categorical eligibility.

CalFresh significantly reduces food insecurity. Research shows SNAP lowers overall food insecurity by about 20% and by 33% among children. According to the Public Policy Institute of California, 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.

Special Supplemental Nutrition Program for Women, Infants, and Children. WIC is a federally funded program that provides nutritious foods, nutrition education, breastfeeding support, and referrals to health services for low-income pregnant and postpartum women, infants, and children under five years of age. The program is designed to prevent poor birth outcomes during critical developmental periods.

Eligibility requires income at or below 185% of the federal poverty level (about $55,500 for a family of four) and a determination of nutritional risk. Participation in programs such as CalFresh, Medi-Cal, or Temporary Assistance for Needy Families are automatically income eligible. In federal fiscal year 2024, WIC served 6.74 million participants monthly nationwide, including nearly one million in California,[2] where roughly 60% of infants are eligible. In California, WIC is administered by CDPH, which contracts with 83 local agencies operating about 500 sites statewide. Benefits are issued through a WIC card redeemable at nearly 4,000 authorized retailers, and many participants also receive farmers' market benefits.

Recent Federal Government Shutdown Impacts on CalFresh. The nation recently faced the longest federal government shutdown in history, which began on October 1, 2025, after Congress failed to pass a budget or continuing resolution. On October 10, 2025, the USDA Food and Nutrition Service notified states that available federal funds would be insufficient to fully fund November 2025 SNAP benefits nationwide (*see* All County Letter [ACL] No. 25-75).[3] USDA

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[1] https://www.ppic.org/publication/poverty-in-california/
[2] https://www.cdph.ca.gov/Programs/CFH/DWICSN/Pages/AboutWIC/ProgramOverview.aspx
[3] https://www.cdss.ca.gov/Portals/9/Additional-Resources/Letters-and-Notices/ACLs/2025/25-75.pdf?ver=hbtOdbuxBHtEbq5_ZvQLPg%3d%3d

directed states to pause submission of November benefit issuance files to EBT vendors. In response, CDSS instructed the California Statewide Automated Welfare System to delay sending these files to the state's EBT contractor, Fidelity Information Services. CDSS confirmed that it could continue covering administrative costs through December 2025. CDSS further warned that if the shutdown persisted beyond October 23, November benefits would be delayed.

On November 1, 2025, SNAP benefits were not issued for the first time in the program's six-decade history, despite the existence of about $5 billion in contingency funds. In response, California, alongside at least 23 states, filed litigation challenging USDA's refusal to use those funds, arguing the decision conflicted with federal appropriations law and prior agency practice during the 2019 shutdown.

Federal courts in Massachusetts and Rhode Island ruled that the USDA's suspension of benefits was unlawful and required the agency to use available funds, at least in part. The Administration responded by announcing it would issue partial benefits (approximately 65% of maximum allotments), citing insufficient contingency funding to cover the roughly $8 billion monthly SNAP cost. USDA also indicated that no benefits would be available for newly certified households in November and warned of significant issuance delays. Subsequent court orders from Rhode Island required full-benefit issuance, prompting the Administration to appeal to the First Circuit Court of Appeals. After a temporary administrative stay by the U.S. Supreme Court, USDA directed states to halt full benefit issuance, undo any full-benefit issuances, and proceed with partial payments. California was among a small number of states that had already issued full benefits prior to the stay.

On November 9, 2025, the First Circuit Court of Appeals upheld the requirement to issue full benefits, though a temporary hold remained in place until November 13. On November 12, 2025, the President signed the FY 2026 Continuing Appropriations Act, restoring full SNAP funding through September 30, 2026. Despite this resolution, many households experienced delays or temporary gaps in food assistance.

Recent Federal Government Shutdown Impacts on the WIC Program. Similar to SNAP, the WIC program faced significant uncertainty during the shutdown due to its reliance on annual congressional appropriations. Federal officials warned that funding could be depleted within weeks, potentially disrupting benefits for roughly 6.7 million participants nationwide.

On October 6, 2025, the USDA notified states that WIC expenditures during the shutdown would be eligible for federal reimbursement and began reallocating unspent funds from fiscal year 2025. USDA released approximately $150 million in contingency funds, which were quickly exhausted in the first week of the shutdown, and reallocated at least $164 million in unused prior-year funds to states. USDA also indicated that additional funds could be recovered if available. States were further permitted to use forward funding authority, allowing them to carry over and spend up to 3% of unused funds from the prior budget period.

On October 10, 2025, the USDA redirected approximately $300 million in Section 32 funds derived from unused tariff revenues, expected to sustain WIC operations for about two weeks. Section 32 funds are often used to purchase surplus agricultural commodities like dairy, meat, and produce for schools, food banks, and nutrition assistance programs. On October 24, 2025, more than 40 national organizations, including the National WIC Association, the American Academy of Pediatricians, and the National Grocers Association, urged the Administration to provide an additional $300 million to cover early November costs. As funding was projected to run out around November 1, the Administration prepared an additional $450 million transfer on October 31, 2025, again using Section 32 funds, extending operations for another two to three weeks. Given that WIC requires about $150 million per week nationwide, these actions were short term but allowed states to continue issuing benefits.

In California, on October 31, 2025, CDPH requested authorization for up to $81 million in short-term General Fund loans to maintain WIC operations. CDPH estimated that $104.3 million in available funds would sustain the program through November 30. DOF proposed an initial $41 million loan to extend operations through December 15, with additional loans as needed up to the $81 million total, potentially sustaining the program through December 31, 2025. The loans were to be repaid upon receipt of federal funds or by June 30, 2026. The Joint Legislative Budget Committee conditionally approved this authority on November 4, 2025, if the shutdown extended beyond November 30. CDPH has not reported whether the loan was ultimately used.

In total, more than $1 billion in temporary federal funding actions sustained WIC during the shutdown. Following the end of the shutdown on November 12, 2025, Congress fully funded WIC through September 30, 2026. In response to these disruptions, House Democrats introduced the WIC Benefits Protection Act (H.R. 5740) in October 2025, which would convert WIC from a discretionary to a mandatory funding program, ensuring stable funding based on participation rather than an annual appropriations process.

This bill establishes a state contingency fund to maintain CalFresh and WIC benefits during a federal government shutdown or funding lapse through January 20, 2029. Upon appropriations, *this bill* authorizes CDSS and CDPH to use the fund to continue issuing benefits. *This bill* also authorizes CDPH to obtain short-term financing such as loans or lines of credit to maintain WIC services, with repayment expected from federal reimbursements. The fund may also be used to cover interest and administrative costs associated with any such financing.

Author's Statement: According to the Author, "The federal government shutdown in November of 2025 left millions of Californians without access to their CalFresh and the supplemental nutrition program for Women, Infants, and Children (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."

Equity Implications: Programs such as CalFresh and WIC disproportionately serve communities that have historically faced structural inequities, including households of color. Nationally and in California, participants in these programs are more likely to be Latino and Black, reflecting longstanding disparities in income, food access, housing stability, and health outcomes. Interruptions in benefits may therefore disproportionately harm these communities, as well as pregnant and postpartum women, infants, young children, seniors, and people with disabilities who rely on these programs for consistent access to nutritious food. By establishing a contingency funding mechanism to maintain benefits during periods of federal funding uncertainty, *this bill* may help prevent gaps in assistance that could exacerbate food insecurity.

Arguments in Support: According to Indivisible CA: StateStrong, "The federal government shutdown on November 1, 2025, cut off food assistance for millions of Californians who rely on the program. Though this assistance was restored on November 6, 2025, following legal action from California and other states, the five-day lapse demonstrated the vulnerability of relying solely on federal appropriations for essential nutrition programs that millions of California families and businesses depend on to support basic daily food needs. The halt in benefits not only affected vulnerable families facing food insecurity but also businesses, as grocery retailers experienced operational and revenue impacts when customers lost access to their food budgets. California currently has no state-level mechanism to backfill CalFresh or WIC benefits when federal funding is delayed or suspended. This lack of a contingency structure exposes families, children, seniors, and businesses to immediate harm during federal government disruptions outside of the state's control. [This bill] addresses this gap by creating a contingency fund to ensure the continued distribution of CalFresh and WIC benefits during any federal shutdown through January 20, 2029."

Arguments in Opposition: None on file.

RELATED AND PRIOR LEGISLATION:

AB 1211 (Sharp-Collins) of 2025, would have required CDSS, if the federal government reduced SNAP benefits, to ensure that CalFresh benefits remain at current levels, and to use state funds if federal funding was insufficient, among other things. *AB 1211 was held on the Assembly Appropriations Committee suspense file.*

REGISTERED SUPPORT / OPPOSITION:

Support

California Retailers Association (Sponsor)
California Charter Schools Association
California Family Resource Association
Child Abuse Prevention Center and its Affiliates Safe Kids California, Prevent Child Abuse California and the California Family Resource Association
Indivisible CA: Statestrong

Opposition

None on file.

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