CCWRO

Coalition of California Welfare Rights Organizations, I

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CCWRO Welfare News - May 2026 Edition

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In Brief

Direct Payments to Needy Families is Not a Priority for TANF Funding

In Federal Fiscal Year 2024 states had TANF funds in the amount of $37.5 billion with only $8.2 billion allocated to direct payments to needy families. That is a meager 21.8%. California is required to match the TANF block grant allocation with what is called “State Maintenance of Effort (MOE) which is $19 billion.

On May 11, 2026, Health and Human Services released ACF-OFA-IM-26-01: Using TANF to Support Child Care and At-Home Parental Caregivers. This guidance urges states to use their TANF block grant $16.2 allocation to transfer up to 30% to the Child Care block grant program of $12.4 billion. Transferring $4.9 billion from the $16.2 billion will leave $11.3 billion to aid needy children.

AB 42 to Cost $350,000 for Automation

AB 42 (Chapter 430, Statutes of 2025) exempts higher education financial aid which includes grants, scholarships, fellowships and loans from being counted as income or resources for purposes of CalWORKs and CalFresh eligibility and benefits amount. This statute is codified at Welfare and Institutions Code sections 11157.2 (CalWORKs) and 18901.09 (CalFresh).

Prior to AB 42 only federal or state government-funded grants, awards, scholarships, loans, or fellowships conferred for the purposes of attending higher educational institutions were exempt from consideration as income for CalWORKs and CalFresh. This required counties to evaluate whether the financial aid counted to

determine eligibility and benefit amount for purposes of CalWORKs and CalFresh.

CDSS implemented AB 42 through ACL 26-16 issued on March 19, 2026 instructing counties to exempt higher educational financial aid as income for CalWORKs and CalFresh and as a resource for 12 months for both programs. In most cases, the county will need to provide a cursory review to confirm that the financial aid is exempted. Yet, the May Revise budget proposes $350,000 for CalSAWS automation.

Counties Use Only 29% of the CalWORKs Housing Support Program Funds During SFY 2024-2025

The purpose of the CalWORKs Housing Support Program (HSP), established in 2014, is to provide housing stability to CaWORKs families experiencing, or at risk of homelessness by providing housing-related financial assistance. 56 counties operate HSP to provide support such as rental assistance, security deposits, utility payments, moving costs and wraparound supportive services. For more information about the HSP participants see County Fiscal Letter (CFL) 24/25-11.

The State Fiscal Year 2024-2025 allocation and expenditure report from CDSS based on claims submitted by California's 56 counties reveals that only 29% of the CalWORKs Housing Support Program was spent.

CCWRO has received reports of counties telling CalWORKs families requesting HSP that there is "not enough money". Now let's look at the facts in the table below and you decide.

SFY 24-25 CalWORKs Housing Support Program (HPS) Allocation and Expenditures

COUNTY	TOTAL ALLOCATION	TOTAL	EXPENDITURES	% SPENT
STATEWIDE	**$292,690,699**	**$206,755,496**	**$85,935,203**	**29%**
ORANGE	$4,696,391	$4,362,765	$333,626	7%
COLUSA	$570,825	$518,513	$52,312	9%
SACRAMENTO	$6,848,933	$6,195,979	$652,954	10%
MADERA	$1,413,437	$1,276,057	$137,380	10%
SAN MATEO	$3,678,825	$3,252,520	$426,305	12%
YUBA	$2,968,823	$2,478,782	$490,041	17%
FRESNO	$5,806,364	$4,780,886	$1,025,478	18%
LOS ANGELES	$65,313,597	$53,500,254	$11,813,343	18%
SAN DIEGO	$28,476,315	$23,267,268	$5,209,047	18%
SISKIYOU	$1,313,322	$1,069,967	$243,355	19%
IMPERIAL	$2,261,759	$1,841,458	$420,301	19%
AMADOR	$709,052	$574,840	$134,212	19%
SANTA CRUZ	$5,228,668	$4,212,597	$1,016,071	19%
PLUMAS	$626,482	$496,177	$130,305	21%
SHASTA	$2,870,347	$2,263,749	$606,598	21%
SAN BERNARDINO	$15,896,678	$12,122,978	$3,773,700	24%
STANISLAUS	$4,719,385	$3,588,616	$1,130,769	24%
TRINITY	$871,063	$661,257	$209,806	24%
HUMBOLDT	$2,287,619	$1,682,386	$605,233	26%
KINGS	$2,593,408	$1,898,585	$694,823	27%
VENTURA	$3,421,465	$2,476,290	$945,175	28%
SAN FRANCISCO	$16,493,882	$11,670,157	$4,823,725	29%
PLACER	$2,959,500	$2,039,613	$919,887	31%
SAN JOAQUIN	$2,507,645	$1,698,817	$808,828	32%
KERN	$6,280,629	$4,251,624	$2,029,005	32%
GLENN	$1,329,570	$898,148	$431,422	32%

SONOMA	$5,570,718	$3,549,624	$2,021,094	36%
INYO	$412,114	$262,083	$150,031	36%
MONTEREY	$3,863,474	$2,450,649	$1,412,825	37%
TUOLUMNE	$841,570	$523,956	$317,614	38%
SUTTER	$3,027,356	$1,828,091	$1,199,265	40%
SANTA BARBARA	$2,890,120	$1,703,354	$1,186,766	41%
SOLANO	$8,763,942	$5,164,425	$3,599,517	41%
SAN LUIS OBISPO	$6,778,735	$3,898,679	$2,880,056	42%
TEHAMA	$716,545	$406,091	$310,454	43%
TULARE	$2,374,324	$1,338,395	$1,035,929	44%
MARIN	$2,547,580	$1,393,603	$1,153,977	45%
EL DORADO	$2,463,082	$1,340,832	$1,122,250	46%
NEVADA	$1,628,573	$845,679	$782,894	48%
YOLO	$7,335,751	$3,775,939	$3,559,812	49%
BUTTE	$4,357,072	$2,184,400	$2,172,672	50%
CONTRA COSTA	$5,198,606	$2,544,266	$2,654,340	51%
CALAVERAS	$876,279	$422,357	$453,922	52%
DEL NORTE	$621,601	$292,408	$329,193	53%
RIVERSIDE	$9,476,605	$4,116,803	$5,359,802	57%
MERCED	$4,552,893	$1,705,836	$2,847,057	63%
MODOC	$456,523	$163,361	$293,162	64%
SANTA CLARA	$15,945,058	$5,589,052	$10,356,006	65%
LASSEN	$698,555	$241,740	$456,815	65%
SAN BENITO	$1,202,473	$405,988	$796,485	66%
LAKE	$1,263,170	$351,065	$912,105	72%
MENDOCINO	$1,015,427	$279,100	$736,327	73%
MONO	$250,000	$24,896	$225,104	90%
SIERRA	$0	$0	$0	0
ALPINE	$0	$0	$0	0%
ALAMEDA	$3,942,706	$5,226,474	($1,283,768)	-33%
MARIPOSA	$539,407	$609,459	($70,052)	-13%
NAPA	$936,456	$1,036,608	($100,152)	-11%

CDSS Delays The 90-Day WtW Sanctions Pause

SB 119 mandated freezing Welfare to Work (WtW) sanctions for the first 90-days from the date that the CalWORKs benefits are approved by July 1, 2027. CDSS initially planned to implement SB 119 effective July 1, 2026, a full year ahead of the mandated date. CDSS then decided to delay the implementation due to an imagined need to automate this process.

In ACL 26-28 CDSS paused the 90-day delay of WtW sanctions in California effective July 1, 2026 until, ".. *necessary automation changes are complete"*.

ACL 26-28 released on April 24, 2026 states:

"NO WTW SANCTIONS DURING THE NEW 90-DAY NO SANCTION PERIOD

Effective July 1, 2026, or when necessary automation changes are complete, whichever comes later, no WTW financial sanctions may be imposed within the first 90 calendar days from the date that a non-exempt individual is approved for CalWORKs cash aid.

The 90-day no sanction period will begin anew if an individual leaves CalWORKs cash aid and later re-applies for CalWORKs. To the extent existing automation allows, county HHSAs are encouraged to implement this policy July 1, 2026, and refrain from sanctioning any WTW participant during the 90-day no sanction period as described in this ACL."

CDSS is now alleging that they need automation to implement the 90-day delay of the WtW sanctions and the sanction will continue to inflict harm on California's low-income children and families. Our sources tell us that counties have objected to implementing the 90-day no sanction period so county staff can be trained. One wonders how many hours of training needed for the instruction of "no sanctions for the first 90-days"?

Automation does not decide to sanction or not to sanction – the human county human worker makes that decision. Once the human worker decides to impose the sanction, as they do today, they tell CalSAWS to impose the sanction. Thus, there is no need for automations except for enriching the multi-billion Accenture corporation by $172,300.

The Reason For the 90-Day WtW Sanctions Pause

About 35% of participants in the welfare to work program are sanctioned at any one time, mainly due to failure to meet, or verify meeting, work activity requirements that range from 20 to 35 hours a week. The majority of the families were sanctioned for the lack of supportive services according to a Rand study. This rigid work first approach has never succeeded in getting more than one-third of families to comply, meaning that any one time two-thirds of participants may be considered out of compliance and risk being sanctioned, or actually sanctioned. The fear of grant cuts destabilizes families and the actual imposition of a grant cut as a punishment makes it harder for families to comply. The ultimate victims of the sanction are the children who have to endure the long-term effects of the toxic stress from experiencing deep poverty as a result of these policies.

Work requirements and sanction policies are intended to withhold access to public benefits from families and people living in poverty to compel their participation in the labor market.

The average CalWORKs cash aid today is less than 50% of the federal poverty level, which is labeled as toxic poverty by academics.
These harmful policy requirements are rooted in racist, sexist, and classist assumptions that people accessing public benefits do not want dignified work, abuse the system, are lazy, and therefore must be coerced to work via public policy that permeates the CalWORKs program today.

It is indeed unconscionable that notwithstanding the clear fact that the 90-day no sanction policy should be effective July 1, 2026, CDSS is refusing to stop these WtW racist, sexist, and classist sanctions under the false guise of automation.

Table # 1 below reveals that today over 15,000 families are still enduring the WTW sanctions.

TABLE # 1-SFY 2025-2026 8-Month Sanctions			
Month/ Year	**Number of Families Being Sanctioned**	**Number of Families Being Sanctioned for 1 year and more**	**Number of Children Being Sanctioned for 1 year and more**
25-Jul	24,532	14,984	34,136
25-Aug	25,678	15,182	34,351
25-Sep	21,623	15,381	34,615
25-Oct	25,840	15,628	35,025
25-Nov	25,955	15,406	34,464

25-Dec	26,182	15,438	34,543
26-Jan	25,972	15,572	34,876
26-Feb	27,022	15,685	35,135

TABLE # 2 below reveals the latest report of the sanction is for the month of February of 2026 embodied in the WtW 25 and 25A reports.

The headline is that San Bernardino County has 1,786 families participating in a WtW activity and 1,879 families under sanction. In fact, that is not the whole story for San Bernardino County. In addition to the 1,786 cases being sanctioned in February, there are an additional 2,593 families with 6,192 children who have been sanctioned for more than 1 year according to the CA237CW report.

TABLE # 2 only shows the number of sanctioned families who have been sanctioned for less than 1 year as evidenced by the sanctions of San Bernardino County.

The top five (5) sanction imposing counties are **(1) San Bernardino County, (2) San Joaquin County, (3) Monterey County, (4) Merced County, (5) Ventura County** imposing sanctions above 60% of the unduplicated participants.

TABLE # 2 - February 2026-
County-by-County Sanctions

County	Undupl. Participants	Sanctions	Non-compliance	% of Sanction
Statewide	27279	10334	2389	35%
San Bernardino	1786	1879	413	85%
San Joaquin	616	487	48	73%
Monterey	122	109	27	73%
Merced	294	206	33	63%
Ventura	120	85	22	60%
Alameda	564	365	49	60%
San Mateo	21	16	11	50%
San Luis Obispo	24	17	11	49%
Contra Costa	216	105	11	46%
Fresno	1635	941	452	45%
Napa	23	15	11	44%
Siskiyou	25	11	0	44%
Mendocino	54	28	11	43%
Tehama	61	29	11	40%
Los Angeles	7085	2784	444	37%
Imperial	246	100	29	36%
Butte	245	87	13	34%
Yuba	156	57	16	33%
Orange	1027	357	64	33%
Sonoma	54	21	11	32%
Lake	74	26	11	31%
Kings	153	54	33	29%
Marin	27	11	11	29%
Sutter	140	44	12	29%
El Dorado	41	11	0	27%
Nevada	48	15	11	25%
Trinity	36	11	11	23%
Kern	510	118	0	23%
Tulare	668	154	55	21%
Santa Clara	621	139	33	21%
Santa Barbara	53	11	0	21%
Santa Cruz	53	11	0	21%
Riverside	1853	398	139	20%
San Diego	2823	578	263	19%
Stanislaus	839	158	20	18%
Sacramento	3937	687	119	17%
Madera	109	21	16	17%
Yolo	224	36	11	15%
Solano	114	15	11	12%
Humboldt	118	11	11	9%
Placer	305	23	11	7%
San Francisco	No Report	No Report	No Report	No Report

FEDERAL UPDATE

Updated Staple Food Stocking Standards for Retailers in SNAP

The USDA’s final SNAP [Supplemental Nutrition Assistance Program] stocking rule, taking effect July 7, 2026, requires authorized stores to more than double their minimum shelf inventory of staple foods.

The stated goal is to increase access to nutritious foods and eliminate loopholes allowing retailers to pass off snacks as staples.

Key requirements:

Increased variety: Stores must stock a minimum of 7 distinct varieties in each of the 4 staples food categories: These 4 categories are:

1. Protein [mea, poultry, fish, legumes]
2. Grains [bread, rice, pasta]
3. Dairy [milk, cheese, yogurt]
4. Vegetables & Fruit

- **Perishability:** At least one variety in 3 of the 4 categories must be perishable

- **Stocking units:** retailers must carry at least 3 stocking units of each of the 28 required varieties on their shelves at all times

- **Staple Food Sales:** Staple food items must make up more than 50% of the stores' total gross retails sales
- **Closing loopholes - New accessory foods list:** processed items like chips, candy, snack bars, jerky and fruit spreads are classified as accessory foods. These items can no longer be counted towards a store's minimum staple food requirement.

Speciality Stores - Criterion B: Speciality food stores such as fish markets, butchers shops and fruit & vegetable stands are categorized under *Criterion B.*

These stores do not have to meet the 4-category breadth of stock but must ensure that at least 50% of their gross retails come from staple foods in a single staple category.

Effective Date: July 7, 2026

Deadline: retailers must implement the provisions no later than November 4, 2026

Guidance: See USDA's Food and Nutrition Service [FNS] SNAP Stocking Standards Guidance

FRAC urges USDA to reconsider: FRAC is deeply concerned by the U.S. Department of Agriculture's (USDA) final rule on staple food-stocking standards for Supplemental Nutrition Assistance Program (SNAP) retailers. The rule causes considerable confusion and does not address key concerns from advocates, retailers, and communities. These concerns include estimates that about 5,000 retailers in underserved areas might be excluded from the program, potentially decreasing food access in these communities. The majority of SNAP participants are children, older adults, and people with disabilities.

CCWRO is working on a fact sheet for LSC's to distribute to the community.

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