

July 14, 2025

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

**EXECUTIVE SUMMARY**

**ALL COUNTY LETTER NO. 25-50**

The purpose of this All County Letter is to inform County Welfare Departments of changes to the Supplemental Nutrition Assistance Program, known as CalFresh in California, as a result of the codification of House Resolution 1, An Act To provide for reconciliation pursuant to title II of H. Con. Res. 14. on July 4, 2025.



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GAVIN NEWSOM  
GOVERNOR

July 14, 2025

ALL COUNTY LETTER (ACL) NO. 25-50

TO: ALL COUNTY WELFARE DIRECTORS  
ALL CALFRESH PROGRAM SPECIALISTS  
ALL CONSORTIA REPRESENTATIVES  
ALL QUALITY CONTROL COORDINATORS

SUBJECT: **CALFRESH IMPACTS DUE TO HOUSE RESOLUTION 1 (H.R. 1)**

REFERENCE: [HOUSE RESOLUTION 1 \(PUBLIC LAW 119-21\); UNITED STATES DEPARTMENT OF AGRICULTURE FOOD AND NUTRITION SERVICE MEMO – SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM IMPLEMENTATION OF REGULATORY CHANGES TO STANDARD UTILITY ALLOWANCES; WELFARE AND INSTITUTIONS CODE \(WIC\) SECTION 18906.5; ALL COUNTY LETTER \(ACL\) NO. 14-66; ACL NO. 19-93](#)

The purpose of this All County Letter (ACL) is to inform County Welfare Departments (CWDs) of changes to the Supplemental Nutrition Assistance Program (SNAP), known as CalFresh in California, as a result of the codification of House Resolution 1 (H.R. 1), An Act To provide for reconciliation pursuant to title II of H. Con. Res. 14. (the Act) ([Public Law 119-21](#)) on July 4, 2025. More details, including implementation dates, will be provided in forthcoming county letters.

## **BACKGROUND**

On July 4, 2025, President Trump signed the Act into law, which includes significant changes to SNAP. Pursuant to the Act, these changes have various effective dates, and in some instances, no effective date is specified. In the past, the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) has issued guidance regarding implementation timelines when no effective date is specified in federal statutory changes which alter SNAP requirements. The California Department of Social Services (CDSS) has been informed that FNS will issue similar policy guidance to address the lack of specificity regarding implementation dates for certain programmatic changes in the Act.

## **PROVISIONS OF THE ACT THAT IMPACT CALFRESH**

### **Re-evaluation of the Thrifty Food Plan**

Section 10101 (7 U.S.C. section 2012)

#### ***No CWD action required.***

The Thrifty Food Plan (TFP) outlines the cost of a nutritious, minimal-cost diet that can be prepared at home. It serves as the basis for determining the maximum SNAP benefit allotments based on household size. The TFP is updated periodically to reflect current dietary guidelines and food prices, ensuring benefit values are adequate to purchase a healthy, affordable diet.

The Act specifies the percentages of the TFP for household sizes. Specifically, it caps benefit amounts for households with nine or more members. The cap is equivalent to 200 percent of the TFP for a household of four. Further, the Act specifies that the next re-evaluation of the TFP may occur no earlier than October 1, 2027, and any adjustment must be cost neutral. These changes limit increases in SNAP benefit allotments due to a change in dietary guidelines or the rising cost of food over time.

These changes will be implemented based on benefit tables issued by FNS which will be released with the annual Cost of Living Adjustment changes.

### **Modifications to Able-Bodied Adults Without Dependents Work Requirements**

Section 10102 (7 U.S.C. section 2015(o))

***CWD action will be required.*** Additional policy and implementation guidance is forthcoming.

Prior to the passage of the Act, an Able-Bodied Adult Without Dependents (ABAWD) was a person between the ages of 18-54, who could work, and did not have children under the age of 18 in their CalFresh household. People who are considered ABAWDs are limited to three full months of CalFresh benefits every 36 months (three years). ABAWDs may receive benefits for longer than three months if they are working, excused from the time limit, or are living in an area that is waived from the time limit. For more information on ABAWD time limit rules, reference [ACL No. 19-93](#), issued September 12, 2019.

The Act makes the following changes to ABAWD time limit rules:

- Changes the definition of an ABAWD to include individuals ages 18-64.
- Limits the work requirement exception to those who have a dependent child under the age of 14.
- Upon implementation, immediately eliminates work requirement exemptions for people experiencing homelessness, individuals under age 24 who aged out of foster care at 18, and veterans, which were previously set to expire on October 1, 2030.
- Adds a work requirement exemption for individuals who are Indians, Urban Indians, California Indians, and other Indians who are eligible for Indian Health Services.

- Limits ABAWD waivers to only be permissible if an area has an unemployment rate above 10 percent and removes the ability for waivers to be based on lack of sufficient jobs.

As noted above, these changes will require CWD action, the details of which will be provided in a subsequent county letter. In addition, changes to automation within the California Statewide Automated Welfare System (CalSAWS), and updates to the statewide client portal, BenefitsCal, will be necessary.

### **Limitation of Standard Utility Allowances Based on Receipt of Energy Assistance**

Section 10103 (7 U.S.C. section 2014)

***CWD action will be required.*** Additional policy and implementation guidance is forthcoming.

Based on a federal option, California provides an annual \$20.01 Low Income Home Energy Assistance Program (LIHEAP) payment, known as the Standard Utility Allowance Subsidy (SUAS), to ensure that all CalFresh households can claim the Standard Utility Allowance (SUA). For more information on the SUAS, reference [ACL No. 14-66](#), issued September 19, 2014.

This provision of the Act limits the automatic application of the SUA based on receipt of a LIHEAP funded benefit to households with elderly or disabled members, often referred to as "Heat and Eat" and implemented in California as SUAS.

As noted above, this change will require CWD action, the details of which will be provided in a subsequent county letter; as well as automation within CalSAWS.

### **Restrictions on Internet Expenses**

Section 10104 (7 U.S.C. section 2014)

***No CWD action required.***

On November 18, 2024, FNS published Final Rule, [SNAP: Standardization of Heating and Cooling SUAS](#), amending regulations for calculating SUAS and expanding allowable shelter expenses to include basic internet costs (89 FR 91198). The amended regulations became effective on January 17, 2025, and states were required to ensure SUA value compliance by October 1, 2025, along with other annual utility deduction updates. In some cases, a higher SUA amount would have resulted in higher benefit amounts. For more information on the Final Rule, reference [FNS policy memo subject SNAP – Implementation of Regulatory Changes to SUAS](#).

The Act excludes the cost of basic internet expenses when determining the SUA.

Prior to October 1, 2025, CDSS will submit to FNS for approval a SUA methodology for Federal Fiscal Year (FFY) 2026 that is compliant with the Act.

### **Funding Match Requirements Based on Payment Error Rates**

Section 10105 (7 U.S.C. sections 2013(a) and 2022(a)(1))

***CWD action will be required.*** Additional policy and implementation guidance is forthcoming.

SNAP benefits are 100 percent federally funded. The Payment Error Rate (PER) measures the accuracy of each state's eligibility and benefit determinations, while the national payment error rate represents the average of these error rates, weighted by state caseload sizes. Payment errors include both underpayments and overpayments, as well as county caused and client caused administrative errors.

Pursuant to the Act, effective FFY 2028 (October 1, 2027), state agencies will be required to pay a percentage of CalFresh benefit allotments, on the sliding scale set forth below, if they have a PER above 6.00 percent. Of note, this language does not alter existing liability and financial penalty requirements for state agencies that are imposed based on the PER.

- For states with a PER below 6.00 percent there is a 0.00 percent state match;
- For states with a PER 6.00-7.99 percent there is a 5.00 percent state match;
- For states with a PER 8.00-9.99 percent there is a 10.00 percent state match;
- For states with a PER at 10.00 percent or higher there is a 15.00 percent state match.

For FFY 2028, states are allowed to choose between using their PER in FFY 2025 or FFY 2026 to calculate their match percentage. Beginning in FFY 2029 and for each subsequent year, states are required to use their PER from the third fiscal year prior to determine their match rate for the fiscal year which is being calculated. For example, the FFY 2029 state match rate will be determined based on the FFY 2026 PER.

If, for FFY 2025, the PER of a state multiplied by 1.5 is equal to or above 20 percent, the initial implementation date of a state match shall be FFY 2029 (instead of FFY 2028). If, for FFY 2026, the PER of a state multiplied by 1.5 is equal to or above 20 percent, the initial implementation date shall be FFY 2030 (instead of FFY 2028). The USDA Secretary has no discretion to alter a state's assigned cost share and may not allow the federal cost-share to exceed the cost share assigned to the federal government as detailed above.

### **Administrative Cost Sharing**

Section 10106 (7 U.S.C. section 2025(a))

***CWD action will be required.*** Additional policy and implementation guidance is forthcoming.

Allowable SNAP administrative costs, known as State Administrative Expenses (SAE), are currently split between the federal government and the state, 50 percent federal and 50 percent state, up to an annually approved amount. SAE covers costs like personnel, technology, and other resources needed to process applications, manage benefits, conduct

quality control, and outreach activities. Per [Welfare and Institutions Code Section 18906.5](#), the state must pay 70 percent of the nonfederal costs of administering CalFresh and the counties must pay the remaining share of the nonfederal costs. As a result, in California, the 50 percent state share is split between the state (35 percent) and the counties (15 percent) for all administrative costs.

Effective beginning FFY 2027 (October 1, 2026) and each year thereafter, the federal portion of administrative costs will be reduced from 50 percent to 25 percent, thus increasing the state's share of administrative costs from 50 to 75 percent. The 75 percent state share will be split between the state and counties at the existing 70 to 30 percent sharing ratio specified in state law. This means the state will be responsible for 52.5 percent and the counties will be responsible for 22.5 percent of the total cost.

### **Repeal of the National Education and Obesity Prevention Grant Program**

Section 10107 (7 U.S.C. section 2036a(d)(1)(F))

#### ***No CWD action required.***

CDSS provides administrative oversight of the SNAP Nutrition Education and Obesity Prevention Grant Program, known as SNAP-Ed federally and as CalFresh Healthy Living in California. CDSS administers CalFresh Healthy Living in collaboration with four State Implementing Agencies (SIAs): Catholic Charities of California, Inc., the California Department of Aging, the California Department of Public Health, and CalFresh Healthy Living, University of California. SIAs work through a network of 111 Local Implementing Agencies (LIAs) and community partners to reach CalFresh Healthy Living-eligible populations.

Pursuant to the Act, funding for the CalFresh Healthy Living (CFHL) program will sunset at the end of FFY 2025 (September 30, 2025).

### **Noncitizen Eligibility for CalFresh**

Section 10108 (7 U.S.C. section 2015(f))

***CWD action will be required.*** Additional policy and implementation guidance is forthcoming.

Prior to the passage of the Act, federal SNAP benefits were available to certain lawfully present noncitizens, such as asylees, refugees, parolees, battered noncitizens, trafficking victims, and others.

The Act's changes to SNAP noncitizen eligibility limit CalFresh eligibility to an individual who resides in the United States (U.S.) and is a:

- Citizen;
- Lawfully Permanent Resident (LPR);
- Cuban or Haitian Entrant; or

- An individual who resides in the U.S. in accordance with a Compact of Free Association (COFA) agreement.

Refugees and those granted asylum, as well as any others not explicitly included in the above are no longer eligible for CalFresh. All non-eligible, noncitizen financial resources in any CalFresh household must continue to be included in eligibility and benefit determinations, despite not being eligible for benefits.

As noted above, these changes will require CWD action, the details of which will be provided in a subsequent county letter; changes to automation within the CalSAWS, and updates to BenefitsCal, will be necessary.

If you have any questions or need additional guidance regarding the information in this letter, contact the CalFresh Policy Bureau via email at [CalFreshPolicy@dss.ca.gov](mailto:CalFreshPolicy@dss.ca.gov).

Sincerely,

***Original Document Signed By***

ALEXIS FERNÁNDEZ GARCIA  
Deputy Director  
Family Engagement and Empowerment Division