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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair  
2025 - 2026 Regular Session

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### **AB 1357 (Celeste Rodriguez) - Guaranteed income payments: consideration as income or resources**

**Version:** July 3, 2025

**Urgency:** No

**Hearing Date:** July 14, 2025

**Policy Vote:** HUMAN S. 5 - 0

**Mandate:** Yes

**Consultant:** Agnes Lee

**Bill Summary:** AB 1357 would prohibit guaranteed income payments from being considered income or resources for purposes of determining eligibility for benefits, or the amount of benefits, under any means-tested program, as specified.

#### **Fiscal Impact:**

- Unknown ongoing General Fund costs for increased program benefits, which would vary depending on the specific means-tested program.
- Unknown one-time General Fund costs for automation system changes, which would vary depending on the specific means-tested program. For the Medi-Cal program, the Department of Health Care Services estimates a one-time automation cost of \$345,000 (\$86,250 General Fund and 258,750 federal funds).
- Unknown potential costs to counties for administration related to program eligibility/benefit determinations. Cost to counties would be potentially reimbursable by the state, subject to a determination by the Commission on State Mandates.

#### **Background:**

**California Guaranteed Income Pilot Program.** Current law establishes the California Guaranteed Income Pilot Program. CDSS administers the program to provide grants to eligible entities for the purpose of administering pilot programs and projects that provide a guaranteed income to participants. Current law requires CDSS to prioritize funding for pilot programs and projects that serve California residents who age out of the extended foster care program at or after 21 years of age or who are pregnant individuals. CDSS, in consultation with relevant stakeholders, must determine the methodology for, and manner of, distributing grants awarded. "Eligible entities" include a city, county, city and county, tribe, consortium of tribes, tribal organization, or nonprofit organization, as specified.

State law provides that guaranteed income payments received by an individual under the California Guaranteed Income Pilot Program are not considered income or resources for purposes of determining the individual's, or any member of their household's, eligibility for benefits or assistance, or the amount or extent of benefits or assistance, under any state or local benefit or assistance program. Current law requires CDSS to identify federal benefit and assistance programs that require an exemption or waiver in order for a guaranteed income payment funded under the pilot program to be excluded from consideration as income or resources for purposes of the federal

program. A state department or agency that administers a program identified by the CDSS must, if possible, approve an exemption or waiver, or provide any other authority deemed necessary, to exclude guaranteed income payments from consideration as income or resources for purposes of the federal program. If the state department or agency does not have that authority, it must seek a federal waiver or exemption.

Current law provides that for the purposes of the Medi-Cal program, a guaranteed income payment under the California Guaranteed Income Pilot Program cannot be considered income or resources for a period of 12 months from receipt. Current law requires that this provision only be implemented by the Department of Health Care Services to the extent consistent with federal law and any waivers received, and federal financial participation for the Medi-Cal program is available.

**Treatment of Guaranteed Income Payments under CalWORKs and CalFresh.**

Current state law governing the CalWORKs program exempts guaranteed income payments from consideration as income and resources for purposes of determining CalWORKs eligibility and grant amounts. This law does not limit guaranteed income payments to those under the California Guaranteed Income Pilot Program. For this purpose, CDSS guidance defines guaranteed income payments as one or more unconditional cash payments issued from a program intended to support the basic needs of recipients and disrupt poverty. The guidance provides that guaranteed income programs can be administered by entities including, but not limited to, local governments, tribal entities, community-based organizations, non-profit organizations, or private entities. Guaranteed income may also be referred to as Universal Basic Income, Guaranteed Basic Income, or Cash Transfer Program.

CDSS guidance provides that guaranteed income payments are exempt from income calculations (but may count as resources under specified circumstances) for CalFresh eligibility determinations when the guaranteed income payments are exempted by CalWORKs and contain any amount of non-governmental funds. Guaranteed income payments that do not contain any amount of non-governmental funds are not exempt for CalFresh, even if the guaranteed income payment is exempted by CalWORKs.

**Proposed Law:** Specific provisions of the bill would:

- Prohibit guaranteed income payments received by an individual from being considered income or resources for purposes of determining eligibility for benefits, or the amount of benefits, under any means-tested program, including, but not limited to, any of the following:
  - CalWORKs program.
  - CalFresh program.
  - California Food Assistance Program (CFAP)
  - Medi-Cal program
  - General Assistance Program.
  - Cash Assistance Program for Immigrants (CAPI)

- Prohibit benefits received by an individual under any means-tested program, including, but not limited to, those listed above, from being considered income or resources for purposes of determining eligibility for guaranteed income payments or the amount of those guaranteed income payments.
- Require CDSS and the Department of Health Care Services, for programs under their jurisdiction, to seek any federal waivers necessary to implement these provisions.
- Define “guaranteed income payments” to mean unconditional, recurring, regular cash payments, whether publicly or privately funded, that are intended to support the basic needs of eligible recipients, including, but not limited to, payments provided through pilot programs or projects receiving funding from the California Guaranteed Income Pilot Program or payments provided through locally funded programs.

**Related Legislation:**

AB 42 (Bryan) would exempt a grant, award, scholarship, loan, or fellowship benefit provided for the purpose of attending an institution of higher education, from consideration as income for purposes of determining eligibility or grant amounts under the CalWORKs program. The bill is scheduled to be heard in this committee on July 14, 2025.

AB 320 (Bennett) would prohibit any compensation awarded to a pupil member of a county board of education or school district governing board from being considered as income or assets when determining eligibility and benefit amount for any means-tested program, and any scholarships for public colleges and universities. The bill is scheduled to be heard in this committee on July 14, 2025.

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