
THIRD READING

Bill No: AB 42
Author: Bryan (D)
Amended: 6/23/25 in Senate
Vote: 21

SENATE HUMAN SERVICES COMMITTEE: 5-0, 6/30/25

AYES: Arreguín, Ochoa Bogh, Becker, Limón, Pérez

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/29/25

AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 79-0, 6/3/25 - See last page for vote

SUBJECT: CalWORKs: CalFresh: eligibility: income and resource exclusions

SOURCE: Western Center on Law & Poverty

DIGEST: This bill prohibits any grant, award, scholarship, loan, or fellowship benefit for the purpose of attending an institution of higher education, provided to a CalFresh or CalWORKs beneficiary from being considered income or resource for purposes of determining benefit eligibility or awards, to the extent allowed by federal law.

ANALYSIS:

Existing Law:

- 1) Establishes the federal Temporary Assistance for Needy Families (TANF) program, which provides block grants to states to develop and implement their own state welfare-to-work programs designed to provide cash assistance and other supports and services to low-income families. (42 United States Code (USC) § 601 et seq.)
- 2) Establishes under federal law the Supplemental Nutrition Assistance Program (SNAP) to promote the general welfare and to safeguard the health and

wellbeing of the nation's population by raising the levels of nutrition among low-income households. (7 USC § 2011 et seq.)

- 3) Deems, in federal regulations, an individual who is enrolled at least half-time in an institution of higher education as ineligible for participation in SNAP, unless the individual qualifies for an exemption, as specified. (7 Code of Federal Regulations (CFR) § 273.5(a))
- 4) States that SNAP shall be limited to households whose income limits their access to nutritious foods and defines what is considered income for the purposes of SNAP eligibility. (7 CFR § 273.9(a) and (b))
- 5) Allows state agencies to adopt a policy that says any types of income that the State agency excludes when determining eligibility or benefits for TANF cash assistance as defined by 45 CFR 260.31(a)(1) and (a)(2), or medical assistance under Section 1931 of the Social Security Act. The State agency must exclude for SNAP purposes the same amount of income it excludes for TANF or Medicaid purposes.(7 CFR Section 273.9(c)(19))
- 6) Establishes the CalWORKS program to provide cash assistance and other social services for low-income families through the federal TANF program. Under CalWORKs, each county provides assistance through a combination of state, county, and federal TANF funds. (Welfare and Institutions Code (WIC) § 11200 et seq.)
- 7) Establishes income, asset, and real property limits used to determine eligibility for the CalWORKs program, and CalWORKs grant amounts, based on family size and county of residence. (WIC §§11150 to 11160; 11450 et seq.)
- 8) Exempts the following from being considered as income for purposes of CalWORKS eligibility:
 - a) Income that is received too infrequently to be reasonably anticipated.
 - b) Income from a college work study program.
 - c) An award or scholarship provided by a public or private entity to or on behalf of a dependent child based on the child's academic or extracurricular achievement or participation in a scholastic, educational, or extracurricular competition. (WIC § 11157(b))

- 9) Requires families to be grouped into assistance units for purposes of determining eligibility under this chapter, and for computing the amount of aid payment in CalWORKs (WIC § 111450.16)
- 10) Establishes CalFresh as California's implementation of the federal SNAP program. (WIC § 18900)
- 11) Requires CDSS to post on its internet website instructions, for county human services agencies, that maximize CalFresh eligibility and minimize the burden for applicants and recipients to verify exemptions to the CalFresh student eligibility rule. Further requires the instructions provided include specific guidance for processing applications, reporting, and recertification for all of the following:
 - a) Students who participate in at least one of the programs identified, as provided, because they offer a program component that is equivalent to a CalFresh Employment and Training program component.
 - b) Students who are approved and anticipate participating in state or federal work-study.
 - c) Students who meet the qualification for an exemption, as provided, or are receiving tribal Temporary Aid to Needy Families or CalWORKs benefits.
 - d) Students who are employed 20 hours a week or more on a reasonable anticipated monthly average, with instructions for allowing self-certification of employment and number of hours worked.
 - e) Students with children, as provided.
 - f) Students enrolled in a CalFresh Employment and Training program.
 - g) Students who do not intend to register during the next normal school term.
 - h) Students enrolled in a Workforce Innovation and Opportunity Act funded program, Job Opportunities and Basic Skills program, or programs under the Trade Act of 1974.
 - i) Students who are physically or mentally unfit, pursuant to federal law.

- j) Students who are participating in a program of career and technical education, as defined, designed to be completed in not more than four years at an institution of higher education, as defined. (WIC § 18901.11(c))

This Bill:

- 1) Prohibits any grant, award, scholarship, loan, or fellowship benefit provided to any member of a CalWORKs or CalFresh assistance unit for the purpose of attending an institution of higher education, excluding cash payments made directly by friends or relatives from being considered as income for purposes of determining eligibility for benefits or calculating grant amounts, to the extent allowed by federal law.
- 2) Prohibits any grant, award, scholarship, loan, or fellowship benefit, not administered by the United States Department of Education, from being considered a resource for determining eligibility for benefits or calculating grant amounts for CalWORKs for 12 months after it is received.
- 3) Requires CDSS to, to the extent permitted by federal law, regulation, or guidance, or a waiver, allow any type of income that CDSS excludes when determining eligibility or benefits for cash assistance provided with for CalWORKs and medical assistance under Section 1931 of the federal Social Security Act to also be excluded for purposes of calculating a household's income under CalFresh.
- 4) Notwithstanding the rulemaking procedures of the Administrative Procedures Act, requires CDSS to implement this section through an all-county letter on or before March 1, 2026, until regulations are adopted.
- 5) Clarifies that no appropriation should be made to implement this bill pursuant to WIC Section 15200.

Comments

According to the author, “despite banning colleges from practicing scholarship displacement, the state still punishes CalWORKs and CalFresh recipients by reducing their state assistance if they earn any merit-based grants and scholarships. CalWORKs students must balance their academic pursuits with providing for their child(ren). By counting merit-based educational funding against their cash aid, the state forces low-income student parents to choose between two vital forms of assistance, neither of which is enough to support both the student and their

child(ren). AB 42 will stop the practice of punishing low-income student parents who work hard to qualify for merit-based scholarships and grants.”

Food Insecurity Among College Students. There is growing evidence of the negative impact hunger has on student participation and student wellbeing, making students less likely to perform well in college and potentially forcing them to dropout. A February 2015 study commissioned by California State University found that between 12 and 24 percent of students on California State University campuses were food insecure. The study found that barriers to food services include a lack of knowledge about available services, lack of a method for identifying food insecure students, and a lack of knowledge on behalf of the staff and/or faculty about food-insecure students. A study released in 2014 by California State University found that more than half of students (59 percent) were food insecure at some point during the previous year. The study also found that good academic performance was inversely associated with food insecurity.

CalFresh College Student Exceptions. The federal government prohibits a college student that attends school at least half time from receiving SNAP benefits. There are a number of exceptions to that rule. Students may qualify for CalFresh if they meet certain criteria and fall within both of the following parameters of the federal definition of student. Individuals must be between the ages 18 and 49 and physically and mentally “fit” for employment (individuals who are unable to work because of a disability are exempt from the student requirements). Students must be enrolled at least half-time in regular curriculum at an “institution of higher education” in which the regular curriculum meets the standard requirements for graduation or certification in a particular field of study. Individuals classified as students become eligible for CalFresh if they meet one of the following requirements (1) employed 20 hours a week, on average; (2) participating in federal or state work study; (3) full-time student with a child under age 12; (4) part-time student with a child under age six (5) part-time student with a child between ages six and 12 for whom adequate care is not available; (6) receiving CalWORKs; (7) enrolled in a CalFresh employment and training program, or other state or local job training programs that USDA will accept (8) does not intend to register for the next normal school term.

CalWORKs. As the state’s largest anti-poverty program, CalWORKs provides temporary cash assistance aimed at moving children out of poverty and helping qualified low income families meet their basic needs, such as rent, clothing, utility bills, food and other items needed to ensure children are cared for at home and safely remain with their families. In addition to cash assistance, adult CalWORKs recipients are provided education, employment and training services designed to

help remove barriers to work and promote self-sufficiency. These services are typically outlined in a Welfare-To-Work plan. CDSS is the designated state agency responsible for program supervision at the state level, and counties are responsible for administering the program at the local level.

Students enrolled in California Community Colleges and in CalWORKs can benefit from programs specifically designed for CalWORKs beneficiaries that are funded by Proposition 98 and TANF block grant funds. The programs provide a range of services: case management and coordination, work-study, child care, job development, and other direct student supports.¹ According to the Public Policy Institute of California, “CalWORKs students are more likely to enroll full-time, successfully complete their coursework, and persist to the next term—all important factors related to college completion—when they are receiving additional services through a college CalWORKs program.”²

CalWORKs and CalFresh Income Exemptions. Under current law, certain types of income are considered exempt in the CalWORKs program, which means they are not counted when calculating a person’s program eligibility for the program and cash benefit amount they receive. CalWORKs and CalFresh participants are not required to submit verification for their excluded income by state law, but counties can monitor and request verification as necessary. The only type of income that requires verification is gross nonexempt income and any income that is questionable. All income exemptions allowable for CalFresh are allowable for CalWORKs as well, however there are exemptions that are allowed for CalWORKs that do not apply to CalFresh. For example, income from Guaranteed Income programs are exempt under CalWORKs but if the program uses government funds to fund the income stipends, it cannot be exempt from CalFresh eligibility determinations due to federal prohibitions.

This bill would expand the types of financial awards given for educational purposes exempt from CalFresh and CalWORKs eligibility to include loans and fellowships, unless it is prohibited by federal law. It also requires CDSS to pursue whatever waiver or guidance is necessary to exclude all income exempt from consideration for CalWORKs determinations to also be exempt from CalFresh determinations.

¹ McConville, Shannon; Bohn, S; Brooks, B. Supporting Student Parents in Community College CalWORKs Programs. PPIC. October 2020.

² *ibid*

Related/Prior Legislation

AB 320 (Bennett, 2025) prohibits compensation received for being a pupil member of a county board of education or school district 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. AB 320 is pending on the Senate Floor.

AB 1357 (Rodriguez, 2025) prohibits guaranteed income payments from being considered as income or an asset for the purposes of determining eligibility or award for means-tested programs, including CalWORKS. AB 1357 was held on the Senate Appropriations Committee Suspense file.

AB 274 (Bryan, 2023) was similar to this bill and it exempt any fellowship benefit that is not received monthly, and any grant, award, scholarship, or loan, that is provided to any assistance unit member from consideration as income or resources for purposes of determining CalWORKs eligibility or grant amounts. It also requires CDSS to exclude, for purposes of calculating a household's income under CalFresh, any type of income that the department excludes when determining eligibility or benefits for CalWORKs. AB 274 was vetoed.

AB 288 (Calderon, Chapter 925, Statutes of 2022) created the he California Ban on Scholarship Displacement Act of 2021, which prohibits each public and private institution of higher education in the state that receives, or benefits from, state-funded financial assistance, or that enrolls students who receive state-funded student financial assistance, from reducing certain students' institution-based gift aid offer below their financial need, except as specified.

AB 807 (Bauer-Kahan, Chapter 440, Statutes of 2019) exempted certain income, including certain scholarships and income for work on the decennial census, from being counted as income for purposes of determining CalWORKs eligibility and benefit amounts.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee, Unknown ongoing General Fund costs, likely minor, for increased program benefits or scholarships.

Unknown one-time General Fund costs for automation system changes. The California Department of Social Services estimates one-time General Fund costs of \$58,000 for automation related to programs under its jurisdiction.

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.

SUPPORT: (Verified 8/29/25)

Western Center on Law & Poverty (source)
CA Edge Coalition
California Association of Food Banks
California Community Colleges, Chancellor's Office
California Family Resource Association
California Student Aid Commission
Cft- a Union of Educators & Classified Professionals, Aft, Afl-cio
Child Abuse Prevention Center and its Affiliates Safe Kids California, Prevent
Child Abuse California and the California Family Resource Association; the
Children Now
Cleaneearth4kids.org
Coalition of California Welfare Rights Organizations
East Bay Community Law Center
Faculty Association of California's Community Colleges
Health Net and its Affiliated Companies
Hispanas Organized for Political Equality
Nextgen California
San Diego; County of
Southern California College Attainment Network
Uaspire
University of California Student Association

OPPOSITION: (Verified 8/29/25)

None received

ASSEMBLY FLOOR: 79-0, 6/3/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva,

Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca
Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta,
Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

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