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AB-42 CalWORKs: CalFresh: eligibility: income and resource exclusions. (2025-2026)

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Assembly Bill No. 42

CHAPTER 430

An act to add Sections 11157.2 and 18901.09 to the Welfare and Institutions Code, relating to public social services.

[Approved by Governor October 07, 2025. Filed with Secretary of State October 07, 2025.]

LEGISLATIVE COUNSEL'S DIGEST

AB 42, Bryan. CalWORKs: CalFresh: eligibility: income and resource exclusions.

Existing federal law provides for allocation of federal funds to eligible states through the federal Temporary Assistance for Needy Families (TANF) block grant program. Existing state law provides for the California Work Opportunity and Responsibility to Kids (CalWORKs) program under which, through a combination of state and county funds and federal funds received through the TANF program, each county provides cash assistance and other benefits to qualified low-income families. Under existing law, certain types of payments received by recipients of aid under the CalWORKs program, including, among others, an award or scholarship provided by a public or private entity to, or on behalf of, a dependent child are exempt from consideration as income for purposes of determining eligibility and aid amount.

Existing federal law provides for the Supplemental Nutrition Assistance Program (SNAP), known in California as CalFresh, under which supplemental nutrition assistance benefits allocated to the state by the federal government are distributed to eligible individuals by each county. Existing law requires the eligibility of households to be determined to the extent permitted by federal law. Existing federal regulation provides states with the option to exclude, for purposes of calculating a household's income under SNAP, any type of income that the state excludes when determining eligibility or benefits for TANF cash assistance or certain medical assistance.

This bill would exempt any grant, award, scholarship, loan, or fellowship benefit that is provided to any assistance unit member for the purpose of attending an institution of higher education, except as specified, from consideration as income for purposes of determining CalWORKs and CalFresh eligibility or grant amounts, and would also exempt those funds as resources for purposes of determining CalWORKs eligibility or grant amounts. The bill would also require, to the extent permitted by federal law, regulation, or guidance, or a waiver thereof, the State Department of Social Services to exercise a federal option 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 and certain medical assistance. This bill would require the department to implement these provisions through an all-county letter or similar instruction until regulations are adopted. By expanding the scope of eligibility for CalWORKs and CalFresh, the bill would impose a state-mandated local program.

Existing law continuously appropriates moneys from the General Fund to defray a portion of county costs under the CalWORKs program.

This bill would provide that the continuous appropriation would not be made for purposes of implementing the bill.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 11157.2 is added to the Welfare and Institutions Code, to read:

11157.2. For purposes of Chapter 2 (commencing with Section 11200) and Chapter 10 (commencing with Section 18900) of Part 6, and notwithstanding any other law, and to the extent permitted by federal law, any grant, award, scholarship, loan, or fellowship benefit provided to any assistance unit member for the purpose of attending an institution of higher education, excluding cash payments made directly by friends or relatives, shall be exempt from consideration as income for purposes of determining eligibility for benefits or calculating grant amounts pursuant to Chapter 2 (commencing with Section 11200). The funds described in this subdivision shall also be exempt as resources for purposes of determining eligibility for benefits or calculating grant amounts pursuant to Chapter 2 (commencing with Section 11200) for 12 months following the receipt of the funds.

SEC. 2. Section 18901.09 is added to the Welfare and Institutions Code, to read:

18901.09. To the extent permitted by federal law, regulation, or guidance, or a waiver thereof, the department shall exercise the option provided in Section 273.9(c)(19) of Title 7 of the Code of Federal Regulations 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 cash assistance provided with federal Temporary Assistance for Needy Families (TANF) funds and medical assistance under Section 1931 of the federal Social Security Act (42 U.S.C. Sec. 1396u-1).

SEC. 3. Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the State Department of Social Services shall implement this act through an all-county letter or similar instruction on or before March 1, 2026, until regulations are adopted.

SEC. 4. No appropriation pursuant to Section 15200 of the Welfare and Institutions Code shall be made for purposes of implementing this act.

SEC. 5. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.