

Date of Hearing: April 29, 2025

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Alex Lee, Chair

AB 1357 (Celeste Rodriguez) – As Amended March 24, 2025

SUBJECT: Guaranteed income payments: consideration as income or resources

SUMMARY: Prohibits guaranteed income (GI) payments from being counted as income or resources when determining eligibility or benefit levels for any means-tested program. Prohibits benefits from any means-tested program from affecting eligibility for GI payments. Specifically, **this bill:**

- 1) Prohibits, notwithstanding any other law, GI 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:
 - a) The California Work Opportunity and Responsibility to Kids (CalWORKs) program;
 - b) The CalFresh program;
 - c) The California Food Assistance Program (CFAP);
 - d) The Medi-Cal program;
 - e) The General Assistance (GA) Program;
 - f) The Kinship Guardianship Assistance Payment (Kin-GAP) Program;
 - g) The Adoption Assistance Program (AAP); and,
 - h) The Cash Assistance Program for Immigrants (CAPI).
- 2) Prohibits, notwithstanding any other law, benefits received by an individual under any means-tested program, including, but not limited to, those listed in 1) above, from being considered income or resources for purposes of determining eligibility for GI payments or the amount of those GI payments.
- 3) Defines, for purposes of this section, “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 GI Pilot Program or payments provided through locally funded programs.
- 4) Requires these provisions, for purposes of the California GI Pilot Program, to be implemented in conjunction with existing law as described in 2) through 4) below.
- 5) Requires these provisions to be implemented only to the extent not in conflict with federal law.

- 6) Specifies that no appropriation pursuant to existing law related to appropriations for Public Assistance shall be made for purposes of this act.

EXISTING LAW:

State law:

- 1) Requires the California Department of Social Services (CDSS), subject to an appropriation for the purpose in the annual Budget Act, to administer the California GI Pilot Program to provide grants to eligible entities for the purpose of administering 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. (Welfare and Institutions Code [WIC] § 18997(a))
- 2) Requires, notwithstanding any other law, GI payments received by an individual from a funded pilot program or project to not be 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. (WIC § 18997(c)(1))
- 3) Requires CDSS to identify federal benefit and assistance programs that require an exemption or waiver in order for a GI payment funded with a grant provided through the GI Pilot Program to be excluded from consideration as income or resources for purposes of the federal program. Exempts the state's failure to be granted a federal exemption or waiver to not affect CDSS' ability to administer the GI Pilot Program, and permits CDSS to consider alternatives to prevent adverse consequences for participants. (WIC § 18997(c)(2))
- 4) Prohibits under the Medi-Cal program, notwithstanding any other law, for the purposes of determining eligibility to receive benefits, or the amount or extent of medical assistance, a GI payment funded with a grant provided under the GI Pilot Program from being considered income or resources for a period of 12 months from receipt. (WIC § 18997(d))
- 5) Requires the California GI Pilot Program to become inoperative on July 1, 2028, and, as of January 1, 2029, is repealed. (WIC § 18997.4)
- 6) Establishes the CalWORKs program to provide cash assistance and other social services for low-income families through the federal Temporary Assistance for Needy Families (TANF) program. Under CalWORKs, each county provides assistance through a combination of state, county and federal TANF funds. (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 §§ 11150-11160, 11450 *et seq.*)
- 8) Exempts the following from consideration as income for purposes of public social services, including CalWORKs programs, as specified:
 - a) Income that is received too infrequently to be reasonably anticipated, as exempted in federal Supplemental Nutrition Assistance Program (SNAP) regulations;

- b) Income from college work-study programs;
 - c) An award or scholarship provided by a public or private entity to or on behalf of a dependent child;
 - d) Income or stipend paid by the United States (U.S.) Census Bureau, a governmental entity, or a nonprofit organization for temporary work related to the decennial census; and,
 - e) Any federal pandemic unemployment compensation, as long as the federal pandemic unemployment compensation is exempt as income for purposes of establishing eligibility for the CalFresh program. (WIC § 11157(b-d))
- 9) Establishes the CalFresh program to administer the provision of SNAP benefits to families and individuals meeting certain criteria, as specified. (WIC § 18900 *et seq.*)
- 10) Requires CDSS to establish CFAP to provide assistance for persons who are not eligible for federal SNAP benefits solely due to their immigration status. Requires, when possible, that the income, resources, and deductible expenses of those who receive CFAP benefits to be excluded when calculating CalFresh benefits. (WIC § 18930 *et seq.*)
- 11) Establishes Medi-Cal, providing health for California residents who lack sufficient income to meet the costs of healthcare. (WIC § 14000 *et seq.*)
- 12) Requires every county and every city and county to relieve and support all incompetent, poor, indigent persons, and those incapacitated by age, disease, or accident, lawfully resident therein, when such persons are not supported and relieved by their relatives or friends, by their own means, or by state hospitals or other state or private institutions. (WIC § 17000)
- 13) Establishes the Kin-GAP Program, ensuring children in kinship care who are not eligible for federally funded Kin-GAP receive aid. (WIC § 11360 *et seq.*)
- 14) Establishes the AAP, administered by CDSS, to support families adopting children who might otherwise remain in long-term foster care. (WIC § 16115 *et seq.*)
- 15) Requires CDSS to establish and supervise a county- or county consortia-administered program to provide cash assistance to aged, blind, and disabled legal immigrants who are not citizens and who successfully complete an application process. Requires CDSS to conduct the evaluations of disability for the program. (WIC § 18937)

Federal law:

- 16) Establishes the 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 [U.S.C.] § 601 *et seq.*)
- 17) Establishes SNAP pursuant to the Food Stamp Act of 1964. (7 U.S.C. § 2011 *et seq.*)

18) Permits individual states to exclude types of income that the state does not consider when determining eligibility for TANF or Medicaid to determine SNAP eligibility in a state operations plan. (7 Code of Federal Regulations [CFR] § 273.9(c)(19))

19) Prohibits states from excluding the following from income calculations:

- a) Wages or salaries;
- b) Gross income from a self-employment enterprise;
- c) Benefits under Title I, II, IV, X, XIV or XVI of the Social Security Act, including Supplemental Security Income benefits, TANF benefits, and foster care and adoption payments from a government source;
- d) Regular payments from a government source. Payments or allowances a household receives from an intermediary that are funded from a government source are considered payments from a government source;
- e) Worker's compensation;
- f) Child support payments, support or alimony payments made to the household from a non-household member;
- g) Annuities, pensions, retirement benefits;
- h) Disability benefits or old age or survivor benefits; and,
- i) Monies withdrawn or dividends received by a household from trust funds considered to be excludable resources under federal regulations. (7 CFR § 273.9(a)(c)(19))

FISCAL EFFECT: Unknown, this bill has not been analyzed by a fiscal committee.

COMMENTS:

Background: *Social Safety Net Programs.* California administers key social safety net programs that aim to mitigate the effects of living in poverty, which impacts about 5 million individuals. These include:

- CalFresh, California's SNAP that helps households afford food;
- CFAP that provides food assistance for certain noncitizens;
- Medi-Cal, which offers comprehensive health coverage;
- GA, a county-administered cash aid program for indigent adults;
- Kin-GAP Program, which supports relatives who care for foster youth;
- AAP, which provides financial support to families adopting children from foster care; and,

- CAPI, which offers cash aid to aged, blind, or disabled noncitizens ineligible for federal Supplemental Security Income.

Guaranteed Income Programs. GI programs have gained significant traction in California as a strategy to address poverty, promote economic security, and reduce disparities among historically marginalized communities. These programs provide unconditional, recurring cash payments to individuals or families, with no strings attached regarding how the money is spent. The core idea is to give recipients financial flexibility, allowing them to meet their most pressing needs—whether that is rent, groceries, transportation, or childcare—without bureaucratic hurdles.

In 2021, California became the first state in the country to publicly fund a GI pilot program through a \$35 million investment in the California GI Pilot Program. This program, administered by CDSS, funds a variety of local pilots targeting vulnerable populations such as transition-age foster youth, low-income pregnant individuals, and adults 60 years of age or older. These state-funded efforts have built upon earlier GI pilots launched by cities like Stockton, Oakland, and Los Angeles, many of which were supported by philanthropic and local government partnerships.

Under current state law, payments from the California GI Pilot Program are explicitly excluded as income and resources for CalWORKs eligibility and grant calculations. GI payments are also excluded from Medi-Cal income and resource determinations for 12 months following receipt, contingent on federal law compliance, waiver approval, and the availability of federal financial participation. According to the All County Welfare Directors Letter dated July 21, 2023, GI pilot payments are not considered income for CalFresh, but may be considered countable resources, depending on the funding source. Specifically, the exemption applies only if the GI pilot program includes at least some non-governmental (e.g. philanthropic) funding. This nuance places a significant burden on program administrators to verify funding sources and interpret eligibility guidance, and on participants to navigate these rules without jeopardizing their food assistance. To mitigate confusion and risk, GI Pilot Program grantees currently offer benefits counseling—a critical service that helps prospective participants understand how GI payments may affect their eligibility for public benefits. While this approach promotes informed decision-making, it is inherently individualized, and does not substitute for a systemwide policy. It also implicitly acknowledges that some individuals may still have to choose between accepting GI payments and maintaining eligibility for essential supports such as food or healthcare.

Evaluation of early GI pilots in California and across the country has shown promising results. Studies have documented increased financial stability, improved mental health, higher rates of full-time employment, and stronger social and familial well-being among participants. GI is also increasingly recognized as a complement to existing safety net programs, rather than a replacement.

This bill requires public benefits to be excluded from income and resource determinations for state-supported, locally funded, and privately funded GI eligibility.

Participation Barriers to Social Safety Net Programs. While GI programs are designed to promote financial stability and reduce poverty, their potential impact has been limited by a key structural barrier: the interaction between GI payments and existing safety net eligibility rules. Many public assistance programs in California, such as CalWORKs, CalFresh, Medi-Cal, and GA, are means-tested, meaning that eligibility and benefit levels are determined based on a

person's income and resources. In the absence of clear statutory exemptions, GI payments—despite being small and targeted—can be counted as income or assets, which may disqualify participation or reduce their benefits.

This creates a “benefits cliff” scenario, where individuals who receive GI payments face a reduction or total loss of essential supports like food, healthcare, or housing assistance. For low-income individuals, the value of these benefits often far exceeds the monthly GI payment itself. As a result, people are sometimes forced to choose between participating in a GI program and maintaining access to critical services they rely on to survive. This not only discourages participation in GI pilots, but also undermines the goals of both systems.

The lack of standardized treatment of GI payments across benefit programs has led to administrative misunderstandings. Program administrators may interpret rules differently at the local level, resulting in inconsistent determinations. Participants report hesitancy and fear about enrolling in GI pilots because of uncertainty around how it will impact their public benefits. In some cases, individuals have declined GI payments altogether to avoid jeopardizing their Medi-Cal or food assistance. These challenges are especially acute for vulnerable populations, including foster youth, immigrants, and people experiencing homelessness, who may already face barriers to navigating complex eligibility systems. Without a statewide policy that protects GI payments from being considered countable income or resources, the full potential of GI as a poverty alleviation tool cannot be realized.

One way GI programs have been addressing this issue is formally requesting and obtaining federal waivers from the relevant agencies, such as the U.S. Department of Agriculture (USDA) for CalFresh and the Centers for Medicare & Medicaid Services for Medi-Cal. These waivers provide legal authority for the state to exclude GI payments from income and resource calculations without conflicting with federal law or jeopardizing federal funding. For example, the USDA has strict rules about what counts as income under SNAP (CalFresh), and states are generally required to follow eligibility rules unless specific exemptions are granted. Similarly, under Medicaid, income and asset limits are tied to federal eligibility categories, and deviations typically require a Section 1115 waiver or similar federal approval. Therefore, the ability to protect GI participants from benefit loss is often contingent on securing these waivers, especially in programs with strong federal oversight.

This bill acknowledges these dynamics by including language that makes implementation contingent on compliance with federal law. In practice, this means that CDSS and other relevant agencies will likely need to lead the development and submission of waiver requests to ensure the legal authority needed to fully realize the bill's intent. Without waivers, recipients of GI could still face loss of benefits under federally governed programs—undermining the core equity and anti-poverty goals of this bill.

This bill further prohibits GI payments from being factored into eligibility determinations for any means-tested state or local public benefit program, including CalFresh, Medi-Cal, CalWORKs, CFAP, GA, Kin-GAP, AAP, and CAPI. This approach mirrors protections already granted to other types of exempt income, such as certain tribal benefits or one-time disaster assistance, and ensures that participation in GI programs does not come at the cost of essential safety net services.

Author's Statement: According to the Author, “The current social safety net programs available for Californians in need is inadequate, and at times, in conflict with one another. Current

guaranteed income programs piloted throughout the state address economic insecurity by empowering participants with a reliable source of income to meet their most pressing needs. Results from these pilots have shown positive outcomes. Unfortunately, these temporary programs can impact participants' enrollment in other support programs for themselves and their children due to benefit cliffs, leaving families with the difficult decision to opt out of support. In order to adequately address intergenerational poverty, [this bill] requires the state to remove barriers to accessing guaranteed income programs and bolster economic progress.”

Equity Implications: *This bill* aims to ensure that participation in GI programs does not jeopardize access to critical safety net benefits. This is particularly important for low-income Californians who rely on programs like CalFresh, Medi-Cal, and CalWORKs to meet basic needs. Without this bill, recipients of GI payments may face a reduction or loss of public assistance simply because these unconditional cash supports are counted as income or resources. For many, this creates a “benefits cliff,” effectively punishing individuals for participating in programs meant to help them achieve greater financial stability.

This dynamic disproportionately affects communities already facing systemic barriers, including single parent households, people with disabilities, immigrants, foster youth, and individuals impacted by the criminal legal system. These groups often experience greater economic vulnerability and have historically been underserved by rigid and complex benefit systems. GI programs, many of which specifically target these populations, are designed to offer flexible, dignified support that allows individuals to make decisions based on their own needs. *This bill* will likely ensure these individuals can fully participate in GI programs without fear of losing other essential supports.

In addition to protecting access to benefits, *this bill* helps address equity issues tied to administrative inconsistency. Treatment of GI payments has varied by county and program, resulting in some recipients being wrongly disqualified from benefits, while others face delays or bureaucratic hurdles due to inconsistent interpretations of whether GI payments count as income.

This bill attempts to reflect the growing recognition that innovative approaches like GI can and should coexist with California's broader human services infrastructure. *This bill* further aims to reinforce the principle that no one should have to choose between accessing flexible financial support and retaining the basic public benefits that help them survive.

Policy Considerations: This bill does not explicitly require relevant agencies, including CDSS and the Department of Health Care Services (DHCS), to seek any necessary federal waivers to implement the bill.

Should this bill move forward, the author may wish to consider requiring CDSS and DHCS to seek any necessary federal waivers to implement the bill.

Proposed Committee Amendments: In order to address the above policy considerations, The Committee proposes the author take the following amendments:

On page 4, between lines 28 and 29, insert: (f) The State Department of Social Services, and the State Department of Health Care Services shall, for programs under their jurisdiction, seek any federal waivers necessary to implement this section.

RELATED AND PRIOR LEGISLATION:

AB 661 (Lee) of the current legislative session, establishes the GI Research and Expansion Act, which requires contracted entities to develop and provide recommendations to design, fund, and implement a permanent, statewide GI Program. *AB 661 is pending before the Assembly Appropriations Committee.*

SB 33 (Cortese) of the current legislative session, requires, upon appropriation by the Legislature and until January 1, 2029, that CDSS establish the California Success, Opportunity, and Academic Resilience (SOAR) GI Program to provide monthly payments for four months to homeless youth in twelfth grade who are enrolled in a public high school. *SB 33 is set to be heard by the Senate Committee on Appropriations on May 5, 2025.*

AB 2263 (Friedman) of 2024, would have established the California GI Statewide Feasibility Study Act, upon appropriation, to assess administrative needs, explore funding mechanisms, and identify priority populations for a permanent statewide GI program. *AB 2263 was vetoed by Governor Newsom.*

SB 333 (Cortese) of 2024, would have established, subject to appropriation, the California SOAR GI Pilot Program and the California SOAR GI Fund for purposes of awarding monthly payments to twelfth grade students who are homeless from April 1, 2025, to August 1, 2025. *SB 333 was held on the Assembly Committee on Appropriations suspense file.*

AB 120 (Committee on Budget), Chapter 43, Statutes of 2023, exempted all GI payments from consideration as income or resources for purposes of the CalWORKs program.

SB 187 (Committee on Budget and Fiscal Review), Chapter 50, Statutes of 2022, excluded, until July 1, 2026, any payments received by an individual from a GI Pilot program or project from the gross income of recipients for personal income tax purposes.

SB 1341 (Cortese) of 2022, was similar to SB 333 above, and would have created the SOAR GI Pilot for homeless students in twelfth grade, as provided. *SB 1341 failed passage in the Assembly Committee on Higher Education.*

AB 153 (Committee on Budget), Chapter 86, Statutes of 2021, established the California GI Pilot Program.

REGISTERED SUPPORT / OPPOSITION:**Support**

Economic Security California Action (Co-Sponsor)
California Association of Food Banks
Center for Employment Opportunities
Courage California
Family Independence Initiative (FII-NATIONAL) dba UpTogether
Glide
Golden State Opportunity
Inclusive Action for the City
Western Center on Law & Poverty, INC.

Opposition

None on file.

Analysis Prepared by: Bri-Ann Hernández-Mengual / HUM. S. / (916) 319-2089