

Distribution Date	March 31, 2026
To	PPOC.ALL, Committee.CalWORKs_CalFresh.All
CC	Consortium.RegionalManagers.All; Consortium.SectionDirectors;
CIT Name	CalWORKs/CalFresh Workaround for AB 42

PPOCs, please forward to the appropriate impacted staff in your county:

- | | |
|------------------------------------------------------------------------|-----------------------------------------------|
| <input type="checkbox"/> General | <input type="checkbox"/> Reports |
| <input checked="" type="checkbox"/> Policy | <input type="checkbox"/> Fiscal |
| <input checked="" type="checkbox"/> CW | <input type="checkbox"/> Caseload Movement |
| <input checked="" type="checkbox"/> CF | <input type="checkbox"/> Management |
| <input type="checkbox"/> MC | <input type="checkbox"/> Batch and Interfaces |
| <input type="checkbox"/> CMSP | <input type="checkbox"/> Fiscal |
| <input type="checkbox"/> FC/KG/AAP | <input type="checkbox"/> GA/GR |
| <input type="checkbox"/> Child Care | <input checked="" type="checkbox"/> Help Desk |
| <input type="checkbox"/> WtW | <input type="checkbox"/> Imaging |
| <input checked="" type="checkbox"/> Other Program(s): <u>RCA/TCVAP</u> | <input type="checkbox"/> Security |
| <input type="checkbox"/> BenefitsCal | <input type="checkbox"/> Task Management |
| <input type="checkbox"/> Customer Correspondence | <input type="checkbox"/> Technical |
| <input type="checkbox"/> OCAT | <input checked="" type="checkbox"/> Training |
| <input type="checkbox"/> Other_____ | |

Description	<p>Purpose The purpose of this CIT is to provide Counties with a temporary workaround for implementing AB 42 policy until System automation is available.</p> <p>Background ACL 26-16 CALWORKS AND CALFRESH: IMPLEMENTATION OF NEW INCOME EXEMPTIONS PER ASSEMBLY BILL (AB) 42 Dated March 19, 2026, exempts any grant, award, scholarship, fellowship, and/or loan conferred for the purpose of attending an institution of higher learning from consideration as income. These funds will be excluded regardless of whether they are distributed directly to the educational institution or to the person receiving CalWORKs or CalFresh, provided the funds are not a cash payment from friends or relatives. Changes also apply to Refugee Cash Assistance(RCA) and Trafficking and Crime Victim Assistance Program (TCVAP) programs. This policy is effective March 1, 2026, for new applicants. For ongoing cases, change is effective at next Semi-Annual Report (SAR 7) or annual Recertification/Redetermination (RE/RD) after March 1, 2026, whichever is sooner.</p> <p>Additional Information</p>
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Currently, the System counts income type of 'Awards/Scholarships' and 'Student Grants, Loans – Non-Needs Based' as **unearned income** for CalWORKs and CalFresh. RCA and TCVAP programs follow CalWORKs for these income types. TCVAP is administered under the RCA program in the System.

Even though this policy change does not affect Medi-Cal, steps need to be taken to ensure correct program eligibility.

SCR CA-297632 (ACL 26-16 AB 42 Exempt Grants, Awards, Scholarships, and/or Loans for CW and CF) was created to update the System to exempt these income types for CW and CF. SCR CA-297632 is tentatively scheduled for the 26.09 release.

County Actions

Until SCR CA-297632 is implemented, workers must take the following steps as described below when applicants/recipients are receiving a grant, award, scholarship, fellowship, and/or loan provided for the purpose of attending an institution of higher learning.

For CW/RCA and/or CalFresh Cases (Intake/SAR 7/RE/Voluntary Request that result in an increase in benefits):

1. In the 'Awards/Scholarships' or 'Student Grants, Loans – Non Needs Based' Income Detail page select Cash / CalFresh as Display Program and click Add.
2. In Income Amount Detail page enter '0.00' in Reported Amount with applicable Begin Date. Update to Verified and click Save and Return.

For CF/MC cases:

1. In the 'Awards/Scholarships' or 'Student Grants, Loans – Non Needs Based' Income Detail page:
 - a. Select Cash / CalFresh as Display Program and click Add. In Income Amount Detail page enter '0.00' in Reported Amount with applicable Begin Date. Update to Verified and click Save and Return.
 - b. Select Medi-Cal as Display Program and click Add. In Income Amount Detail page enter verified income amount in Reported Amount with applicable Begin Date. Update to Verified and click Save and Return.

The list associated with CA-297702 have been posted to the CalSAWS Communication Portal under County Secured Documents for each individual County in the following location:



Disclaimer: If no list information is posted in the location above, no County action is needed for **CA-297702 County List**.

The lists will display the standard columns:

- Case Name
- Case Number
- County
- Unit
- Unit Name
- Office Name
- Worker ID

Users must follow their county's business process to review the cases and take the necessary actions. Follow business process to flag case and Journal actions.

<u>List</u>	<u>County Action</u>
<p>CA-297702 County List Additional columns(s): Application date, Recertification/Redetermination date, SAR 7 date, Income Category, Income Type, Income Begin Date, Income Amount,</p>	<p>CW/RCA and/or CF Programs only</p> <ol style="list-style-type: none"> In the 'Awards/Scholarships' or 'Student Grants, Loans – Non Needs Based' Income Detail page select Cash / CalFresh as Display Program and click Add. In Income Amount Detail page enter '0.00' in Reported Amount with applicable Begin Date. Update to Verified and click Save and Return. Run EBDC, review, and authorize results. <p>CF/MC program (if applicable)</p> <ol style="list-style-type: none"> Follow steps 1-2 above In the 'Awards/Scholarships' or 'Student Grants, Loans – Non Needs Based' Income Detail page select Medi-Cal as Display Program and click Add. In Income Amount Detail page enter verified income amount in Reported Amount with applicable Begin Date. Update to Verified and click Save and Return. Run EBDC, review, and authorize results.

Copy your Regional Manager(s) on any questions you might send to the Primary or Backup Project Contact.

<p>Primary Project Contact</p>	<p>For CalFresh: Norma Meza MezaN@CalSAWS.org</p> <p>For CalWORKs/RCA: Sarah Rich RichS@CalSAWS.org</p>
<p>Backup Project Contact</p>	<p>For CalWORKs/CalFresh: Committee.CalWORKs_CalFresh.Facilitator@CalSAWS.org</p>
<p>Attachments</p>	<p>None</p>
<p>Communication Portal Link</p>	<p></p> <p>OR</p>

You may also retrieve the CIT document and attachments by following these steps:

1. Hover over the Communications & Resources tab at the top of the page.
2. Click on the "CalSAWS Information Transmittal (CIT)" folder.
3. Click on the "2026" folder.
4. Click on the appropriate CIT # folder.