



Assemblymember Rebecca Bauer-Kahan
AB-807 – CalWORKs College Access & Savings Act
Fact Sheet

Summary

AB 807 would create equity for low income students by removing income exclusions which currently penalize families on CalWORKs for a student’s scholarships, rental assistance, and any transfers of money from one account to another – like a college savings account. This bill allows students to pursue a higher education and creates a pathway out of poverty through promoting good financial practices.

Background

The California Work Opportunity and Responsibility to Kids (CalWORKs) program serves nearly 400,000 low-income families by providing financial assistance for housing, food, and other necessary expenses. Of these families, 278,000 recipients are still living in deep poverty. To be eligible for benefits, a family must pass an assessment and income test. The program allows exemptions to which income should be counted when calculating the net income. These exemptions are chosen to encourage behavior that supports families’ paths out of poverty.

Problem

California Welfare and Institutions Code establish the list of exempt income in the CalWORKs program was enacted decades ago. It is antiquated and the list of exemptions currently includes:

- A scholarship or award received by a child of a family in the program, but

only if the scholarship or award is a result of academic achievement. This discourages children in low-income schools from receiving awards based on other important benchmarks of success, such as leadership or school attendance.

- Rental Assistance, but only if received through the CalWORKs program.

Additionally, CalWORKs law is silent on how the program should treat income that is drawn down from an account or transferred from one account to another on a regular basis. If a student moves preexisting money from a college savings account to their checking, this money counts against the families CalWORKs aide. This discourages the practice of saving for college.

What this bill does

AB 807 will make three changes to the Welfare and Institutions Code relating to exempt income in the CalWORKs Program:

- It will establish that any money received by a youth in the family as a result of a scholarship or award is exempt.
- It will clarify that transferring a resource from one account to another or withdrawing resources from a savings or retirement account, like the CalSavers Account, does not count as income.
- It will apply the income exemption to CalWORKs rental assistance to any

rental assistance provided by any government entity.

Making these changes in the CalWORKs program will ensure that families are not prevented from saving and that their children are not discouraged from achieving.

Support

- Western Center on Law and Poverty (Co-Sponsor)
- Coalition of California Welfare Rights Organizations (Co-Sponsor)
- California School Employees Association
- Public Interest Law Project
- Hunger Action Los Angeles
- California Alternative Payment Program

Contact

Brandon Bratcher
Legislative Assistant
916-319-2016
Brandon.Bratcher@asm.ca.gov