

Date of Hearing: April 29, 2025

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Alex Lee, Chair

AB 1324 (Sharp-Collins) – As Amended April 24, 2025

**SUBJECT:** CalWORKs

**SUMMARY:** Requires the California Department of Social Services (CDSS) to conduct a feasibility study on expanding the California Work Opportunity and Responsibility to Kids (CalWORKs) program; updates various eligibility requirements for CalWORKs; and, prioritizes specified employers to participate in CalWORKs' employment services placements.

Specifically, **this bill:**

- 1) Expands exempt income from consideration for eligibility for CalWORKs by exempting:
  - a) In-kind gifts;
  - b) Income paid to the noncustodial parent; and,
  - c) All income that is received too infrequently to be reasonably anticipated.
- 2) Authorizes a parent to work any number of hours and still qualify for CalWORKs provided the family does not exceed the applicable gross or net income limits and is otherwise eligible for assistance.
- 3) Removes the prohibition of allowing aid to an assistance unit if a caretaker relative is participating in a strike or lockout, and instead requires the payment of CalWORKs aid to an assistance unit if a caretaker relative is participating in a strike or lockout, to the extent permitted by federal law.
- 4) Removes the prohibition of including an individual participating in a strike in determining aid amount, and instead requires, in the case of participation in a strike by an individual other than a caretaker relative, that the individual's needs be included in determining the amount, to the extent permitted by federal law.
- 5) Requires CDSS to conduct a feasibility study on expanding CalWORKs, including estimated costs and identified necessary statutory changes for expansion. Requires CDSS to consult with the County Welfare Directors Association (CWDA) as needed. Requires the report to be submitted to the Assembly Committee on Human Services and the Senate Committee on Human Services on or before January 1, 2027. Sunsets this provision on January 1, 2031.
- 6) Clarifies that for welfare-to-work (WTW), self-employment shall be computed based on the number of hours the participant engaged in self-employment activity, regardless of the income earned by the participant.
- 7) Adds labor unions and public benefit advocates, in addition to CDSS and CWDA to determine the amount or proportion of funding allocated pursuant to this section that may be utilized for operational costs, consistent with the number of employment slots anticipated to be created and the funding provided.

- 8) Requires counties to add to their existing subsidized employment services plan:
  - a) Prioritize subsidized employment placements with employers that have a joint labor-management letter of support, a signed community benefits agreement, a project labor agreement, or a labor peace agreement, and that offer opportunities for participants to obtain skills and experiences in their fields of interest;
  - b) Prevent subsidized employment placements that supplant work that a public employee would have otherwise been hired to do; and,
  - c) Prevent placement with employers that have a history of a bad safety record, or resolved or pending litigation, violations, citations, fines, or penalties relating to any state or federal environmental or labor laws within the last 10 years.
- 9) Adds to the CalWORKs Annual Summary that CDSS must include the names of employers where jobs were subsidized and the total amount of the subsidized portion of wages provided to CalWORKs participants working for that employer.

**EXISTING LAW:**

## State law:

- 1) Establishes in state law the CalWORKs program to provide cash assistance and other social services for low-income families through Temporary Assistance for Needy Families (TANF). Under CalWORKs, each county provides assistance through a combination of state, county and federal TANF funds. (Welfare and Institutions Code Section [WIC] § 11200 *et seq.*)
- 2) 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.*)
- 3) 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 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))

- 4) Requires all individuals over 16 years of age, unless they are otherwise exempt, to participate in WTW activities as a condition of eligibility for CalWORKs. (WIC § 11320.3)

Federal law:

- 5) Establishes the federal TANF program, which provides block grants to states to develop and implement their own state WTW programs designed to provide cash assistance and other supports and services to low-income families (42 United States Code § 601 *et seq.*)

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

**COMMENTS:**

**Background:** *CalWORKs* is the state's primary cash assistance program. More specifically, CalWORKs implements the federal TANF program, which is a federal flexible block grant with the objective of providing income and support to families with children. CalWORKs provides eligible low-income families with cash grants and supportive services aimed at helping them to secure education, training, and employment. Among others, the supportive services include mental health counseling, substance use disorder treatment, or domestic violence services; job skills training; attendance in a secondary school or in a course leading to a certificate of general educational development.

Unless deemed exempt or otherwise not required to participate per CalWORKs rules, parents are required to develop and participate in a WTW plan. CalWORKs-approved WTW activities can include public or private sector subsidized or unsubsidized employment; on-the-job training; community service; secondary school, adult basic education and vocational education and training when the education is needed for the recipient to become employed; specific mental health, substance use disorders, or domestic violence services if they are necessary to obtain or retain employment; and a number of other activities necessary to assist a recipient in obtaining unsubsidized employment.

As of October 2024, the maximum monthly grant for a family of three on CalWORKs (one parent and two children), if the family has no other income and lives in a high cost-of-living county, is \$1,039. In 2024-25, the Administration estimates the average CalWORKs grant amount to be \$1,001 per month across all family sizes and income levels.

*This bill* exclude in kind gifts and income from noncustodial parents from calculating benefit amount.

*CalWORKs Welfare-to-Work Requirement.* Unless deemed exempt, an adult in a one-parent assistance unit is required to participate in WTW activities for an average of 30 hours per week or, in the case of someone who is pregnant or parenting a child under six year of age, an average of 20 hours per week, monthly. In a two-parent assistance unit, one or both adults must participate in WTW activities for a combined average of 35 hours per week. WTW activities include participation in subsidized and unsubsidized employment, community service, adult basic education, community college, job skills, training, mental health counseling, substance use disorder treatment, domestic abuse services, or other activities necessary to assist recipients in obtaining employment. If a CalWORKs recipient who is not exempt from participation does not meet the WTW requirements, the recipient may be sanctioned, and that recipient's portion of the family's grant may be subtracted from the amount provided to the family.

As part of WTW, CalWORKs recipients may utilize subsidized employment opportunities. This allows recipients to gain meaningful experience to put on their resumes, or even be hired on formally after the subsidization ends. Participating employers receive labor at no cost to them.

*This bill* would require counties to prioritize placement with employers that have a joint labor-management letter of support, a signed community benefits agreement, a project labor agreement, or a labor peace agreement, and that offer opportunities for participants to obtain skills and experiences in their fields of interest

**Author’s Statement:** According to the Author, “[This bill] makes common sense updates to expand eligibility for CalWORKs for low-income Californians not currently covered. Whether someone is self-employed, working over 100 hours, or striking, no hard-working Californians who otherwise meet the income eligibility should be excluded from the life-saving, supportive services of CalWORKs.”

**Equity Implications:** Of the families receiving CalWORKs assistance, 84% are single-parent households with average monthly earnings of \$1,496, while 16% are two-parent households with average monthly earnings of \$1,618. The average family size is 2.6, with the average number of children in each family being two. 90% of program participants identify as female, 59.9% identify as Hispanic, 18.1% identify as White (Non-Hispanic), 16.7% identify as Black (Non-Hispanic), 3% identify as Asian (Non-Hispanic), and 2.3% identify as other.

This program is the state’s primary cash aid safety net program and helps over 350,000 families and 650,000 children each year. According to the California Budget and Policy Center, “children experiencing poverty are more likely to face poverty in adulthood, impacting their overall well-being. When family incomes fall short of meeting basic needs, children may struggle to concentrate in school, face increased health risks in crowded living conditions, and endure heightened stress levels, negatively affecting their immune system and neurological development.”

*This bill* seeks to expand eligibility by adding exemptions that count toward eligibility calculation as well as requiring a feasibility study to expand CalWORKs. By expanding eligibility, *this bill* may further help lift families out of poverty.

#### **RELATED AND PRIOR LEGISLATION:**

**AB 1074 (Patel) of the current session**, makes updates to the CalWORKs Reunification Program, which allows CalWORKs families who have children placed into foster care to receive monthly cash assistance for up to six months while active reunification efforts are ongoing, by clarifying that families can receive aid as if the child or children are still living with their parents. *AB 1074 is pending before the Assembly Committee on Appropriations.*

**SB 65 (Skinner), Chapter 449, Statutes of 2021**, established the California Momnibus Act, which, amongst other things, eliminates the mandatory requirement to work or participate in WTW for pregnant persons, and makes participation voluntary for all pregnant people, regardless of whether the individual meets prior exemption requirements.

**AB 1004 (Calderon), Chapter 99, Statutes of 2021**, deleted requirements that, in order to be exempt from being considered income under the CalWORKs program, income or stipends related to the decennial census must be earned on the year of, or year prior to, a census, so that

all such income or stipends may be exempted, regardless of when it is earned, and made those changes effective immediately.

*AB 79 (Committee on Budget), Chapter 11, Statutes of 2020*, among other things, authorized a 60-month CalWORKs lifetime time limit and eliminated the 24-month time clock for certain WTW activities, effective May 1, 2022, or when CDSS notifies the Legislature that all necessary automation changes are complete.

*AB 1542 (Ducheny), Chapter 270, Statutes of 1997*, implemented the CalWORKs program, California's version of the federal TANF program.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

California State Council of Service Employees International Union (SEIU California) (Co-Sponsor)

Coalition of California Welfare Rights Organizations (Co-Sponsor)

Grace Institute - End Child Poverty in CA (Co-Sponsor)

Western Center on Law & Poverty (Co-Sponsor)

Info Line of San Diego dba 211 San Diego

**Opposition**

None on file.

**Analysis Prepared by:** Alexandria Smith / HUM. S. / (916) 319-2089