

Date of Hearing: April 18, 2023

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Corey A. Jackson, Chair

AB 372 (Stephanie Nguyen) – As Amended March 2, 2023

**SUBJECT:** CalWORKs: eligibility: income exclusions

**SUMMARY:** Excludes specified income from apprenticeship or pre-apprenticeship programs for the purposes of determining California Work Opportunity and Responsibility for Kids (CalWORKs) eligibility. Specifically, **this bill**:

- 1) Exempts income received for performing work as part of an apprenticeship program approved by the Chief of the Division of Apprenticeship Standards (DAS) or a preapprenticeship program registered with DAS from consideration as income for purposes of determining eligibility or calculating grant amounts under the CalWORKs program.
- 2) Permits the California Department of Social Services (CDSS) to implement this bill through an all-county letter or similar instruction until regulations are adopted.

**EXISTING LAW:**

- 1) Establishes the federal “Temporary Assistance for Needy Families” (TANF) program, which provides block grants to states to develop and implement their own state welfare-to-work (WTW) programs designed to provide cash assistance and other supports and services to low-income families (42 United States Code 601 *et seq.*)
- 2) Establishes in state law the “CalWORKs” program to provide cash assistance and other social services for low-income families through TANF. Under CalWORKs, each county provides assistance through a combination of state, county and federal TANF funds. (Welfare and Institutions Code Section [WIC] 11120 *et seq.*)
- 3) 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.*)
- 4) Exempts the following from consideration as income for purposes of public social services programs, including CalWORKs, 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 Census Bureau, a governmental entity, or a nonprofit organization for temporary work related to the decennial census; and,

- e) Any federal pandemic unemployment compensation, so long as the federal pandemic unemployment compensation is exempt as income for purposes of establishing eligibility for the CalFresh program. (WIC 11157(b-d))
- 5) 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)
- 6) Provides a framework for promoting and developing apprenticeship training through the California Apprenticeship Council and DAS within the Department of Industrial Relations. DAS enforces apprenticeship standards for, among other things, working conditions, classroom instruction and the specific skills required for state certification as a journey person in an apprentice occupation. (Labor Code Sections [LAB] 3070-3098)
- 7) Defines an “apprenticeable occupation” as one for which the Chief of DAS has approved an apprenticeship program in the building and construction trades, as specified. (Public Contract Code Sections 20119.1, 20155.2, 2601 and LAB 3075, among others).

**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 and 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 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.

In 2021-22, 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 \$925. The same family living in a lower cost-of-living county would be eligible for up to \$878 per month. However, the average monthly cash grant for the family is estimated to be \$717. Many families earn some income, or live in a lower cost-of-living county, and do not qualify for the maximum grant amount. About 398,400 families are projected to receive CalWORKs benefits in Fiscal Year 2022-23.

This bill would exclude income from apprenticeships or pre-apprenticeships from the income calculated as described above to determine eligibility.

*Apprenticeships.* DAS administers the state’s apprenticeship laws and enforces apprenticeship standards for wages, hours, working conditions and the specific skills required for state

certification as a journey person in an apprenticeable occupation. In general, apprenticeship programs provide instruction that combines a formal course of in-class instruction with practical “on-the-job” training.

Pre-apprenticeship services and programs are designed to prepare individuals to enter and succeed in registered apprenticeship programs. These programs have a documented partnership with at least one registered apprenticeship program sponsor and together, they expand the participant's career pathway opportunities with industry-based training coupled with classroom instruction.

California’s apprenticeship programs represent a unique and important feature of the state’s workforce development system. The core idea is that, by combining both high-quality classroom instruction and high-quality on-the-job training experience, apprenticeship programs train high-quality professionals in a variety of different fields and professions.

**Author’s Statement:** According to the Author, “One of the biggest hurdles for men and women in state- accredited pre-apprenticeship and apprenticeship programs is timely and consistent access to childcare. As in most industries, this problem falls disproportionately on women which can restrict their ability to remain in these programs.

“[This bill] exempts income received by an apprentice or pre-apprentice for performing work as part of an apprenticeship program approved by the California Division of Apprenticeship Standards. Exempting this income upholds the framework of the on-the-job training without penalizing a new apprentice and disqualifying them from vital services their family needs.

“This added financial security meets workers where they are and helps ensure pre-apprentices and apprentices with children successfully complete the program and earn family sustaining wages. This high-quality career pathway ultimately helps the individual transition off state social safety net programs, saving the state hundreds of millions of dollars.”

**Need for this bill:** This bill excludes pre-apprenticeships and apprenticeships income for the purposes of determining CalWORKs eligibility. This exclusion will expand access to cash assistance through CalWORKs to more individuals who might need cash assistance and further incentivize individuals to seek out and participate in apprenticeships.

**Equity Implications:** According to the DAS 2017 Annual Report, California continues to lead the nation in apprenticeship, with 80,464 apprentices registered in 1,016 DAS-approved programs represented by 441 sponsors. The number of people of color increased from 45,796 in 2016 to 50,659 in 2017, comprising 63% of all apprentices. During the same period, the number of women in apprenticeship programs increased from 4,683 to 4,861, comprising 6% of all apprentices.

Excluding apprenticeship income to determine CalWORKs eligibility allows apprenticeships to be accessible to individuals regardless of background and help lift these groups out of poverty by providing a stable career. Further, allowing apprenticeships to not count as income incentivizing the program.

**RELATED AND PRIOR LEGISLATION:**

**AB 274 (Bryan), of the current legislative session**, would exempt grants, awards, scholarships, loans, or fellowship benefits used for educational purposes from income considerations while determining eligibility for CalWORKs; expands CalFresh eligibility by requiring CDSS to use TANF eligibility requirements to determine CalFresh eligibility. *AB 274 is pending before this Committee and is set to be heard on April 18, 2023.*

**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 807 (Bauer-Kahan), Chapter 440, Statutes of 2019**, exempted certain income, including certain scholarships and income for work on the decennial census, from being counted as income for purposes of determining CalWORKs eligibility and benefit amounts

**REGISTERED SUPPORT / OPPOSITION:****Support**

State Building and Construction Trades Council of CA (Sponsor)  
California Labor Federation, AFL-CIO  
California Legislative Women's Caucus  
California Professional Firefighters  
Child Care Providers United (CCPU)  
Children Now  
District Council of Iron Workers of The State of California and Vicinity  
International Union of Operating Engineers, Cal-Nevada Conference  
Tradeswomen INC.

**Opposition**

None on file

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