Date of Hearing: May 17, 2023

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

AB 310 (Arambula) – As Amended March 23, 2023

Policy Committee: Human Services Vote: 5 - 2

Urgency: No State Mandated Local Program: Yes Reimbursable: Yes

SUMMARY:

This bill makes numerous and substantial changes to the California Work Opportunity and Responsibility to Kids (CalWORKs) Act and welfare-to-work (WTW) requirements with the intent to refocus the program away from prescriptive work requirements and toward family assistance activities.

For a detailed description of this bill see the Assembly Human Services Committee's analysis.

FISCAL EFFECT:

Estimated ongoing General Fund costs likely in the high tens of millions of dollars, or more, annually resulting from the changes made pursuant to this bill. These costs include federal penalties of up to 5% of the state's TANF block grant, increasing over time, for failure to meet federal work participation rates (WPRs).

The author is also pursuing this proposal in the budget process.

COMMENTS:

1) **Purpose.** The author seeks to "reimagine CalWORKs" by shifting stigma, increasing choice, and focusing on lifting families out of poverty. According to the author:

CalWORKs for too long has used discriminatory language and penalties against the very people the program is trying to help secure a better life. [This bill] will transform CalWORKs by changing its culture to one that empowers families through personal attention and support. We must do a better job of meaningfully connecting parents with support services to keep families whole, safe, healthy, housed, and fed. We want parents to succeed in working toward a better life for themselves and their children.

2) **Background.** Federal law establishes the Temporary Assistance for Needy Families (TANF) program to provide flexible 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. The state's CalWORKs program implements the federal TANF program.

The CalWORKs program provides eligible low-income families with cash grants and supportive services to help them secure education, training, and employment. The program aims to help children and families meet basic needs and move out of poverty. Participating

families have access to a range of services, including childcare and housing assistance. In fiscal year (FY) 2021-22, the average monthly cash grant for a family of three (one parent and two children) was \$717. About 398,400 families are projected to receive CalWORKs benefits in FY 2022-23.

The WPR is a target set by the federal TANF program that requires families receiving assistance be engaged in at least 30 hours per week of a prescribed list of work-related activities (or 20 hours a week for single parents with one or more children under 6 years old) or face financial penalties such as losing aid. States that do not meet the WPR goals are at risk for losing block grant money. TANF law requires states to engage 50% of all families and 90% of two-parent families with work-eligible individuals in work activities; however, states can get credit toward meeting those rates if their cash assistance caseload has fallen.

The maximum penalty in the first year a state misses the WPR is 5% of the block grant, increasing by 2% a year if a state fails to achieve its target rates for multiple years in a row. A state may avoid the financial penalty by submitting a "corrective compliance plan" explaining the steps it will take to bring their work participation rate up to the target level.

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 disorder, 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. If a family has failed or refused, as defined by existing law, to participate, without "good cause," in the WTW plan arranged with their county, which is a condition of aid, then families face sanctions or penalties, including pausing their aid.

According to a report released by the California Budget and Policy Center, CalWORKs parents face a labor market in which gender- and race-based discrimination is ongoing, as well as workplace expectations and practices that make it difficult for parents to balance work with caregiving responsibilities. These dynamics significantly affect CalWORKs parents, who are predominantly women, people of color, and parents of young children.

This bill reforms the CalWORKS program by revising CalWORKs sanction policies to reflect a more family assistance-focused goal; replacing program language to be more inclusive; removing WTW requirements to make WTW less compulsory and more voluntary to empower family choice; minimizing complicated documentation requirements; and expanding WTW opportunities to include more learning and support activities.

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