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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair  
2025 - 2026 Regular Session

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### AB 1324 (Sharp-Collins) - CalWORKs

**Version:** April 24, 2025

**Urgency:** No

**Hearing Date:** August 18, 2025

**Policy Vote:** HUMAN S. 4 - 1

**Mandate:** Yes

**Consultant:** Agnes Lee

**Bill Summary:** AB 1324 would make several changes to eligibility rules for the California Work Opportunity and Responsibility to Kids (CalWORKs) program.

#### **Fiscal Impact:**

- The California Department of Social Services (CDSS) estimates the following:
  - General Fund costs of \$21.6 million in the first year and \$43.1 million ongoing thereafter for additional benefits provided. These amounts include automation costs of \$1.8 million in the first year and \$512,000 ongoing thereafter.
  - No fiscal impact to state operations.
- Unknown costs to counties for administration. Cost to counties would be potentially reimbursable by the state, subject to a determination by the Commission on State Mandates.

**Background:** The CalWORKs program provides temporary cash assistance aimed at moving children out of poverty and helping qualified low-income families meet their basic needs such as rent, clothing, utility bills, food, and other items needed to ensure children are cared for at home and safely remain with their families. In addition to cash assistance, adult CalWORKs recipients participate in welfare-to-work activities and are provided education and employment and training services designed to help remove barriers to work and promote self-sufficiency. CalWORKs is funded through a combination of state and county funds and federal funds received through the federal Temporary Assistance for Needy Families (TANF) program.

**Income Eligibility.** Current law exempts the following from consideration as income for purposes of determining eligibility and aid amount under the CalWORKs program, as specified:

- Income that is received too infrequently to be reasonably anticipated, as exempted in federal Supplemental Nutrition Assistance Program regulations;
- Income from college work-study programs;
- An award or scholarship provided by a public or private entity to or on behalf of a dependent child;

- Income or stipends paid by the U.S. Census Bureau, a governmental entity, or a non-profit organization for temporary work related to the decennial census;
- Federal pandemic unemployment compensation, as specified;
- Guaranteed income payments;
- Funds deposited and investment returns accrued in a California Hope, Opportunity, Perseverance, and Empowerment (HOPE) trust account.

**CalWORKs Deprivation Rule.** The deprivation rule means that in order to qualify for CalWORKs, a child in the family must be “deprived of parental support or care” due to the death, physical or mental incapacity, unemployment, or the continued absence of a parent. Current state law considers a child to be deprived of parental support or care due to unemployment of the child’s parent or parents when the parent has worked less than 100 hours in the preceding four weeks and meets specified federal requirements.

**Participation in Strikes.** Current law prohibits CalWORKs aid to an assistance unit if a caretaker relative is, on the last day of the month, participating in a strike, unless the strike is necessitated by an imminent health and safety hazard or abnormally dangerous working conditions at the place of employment, as specified. If an individual other than a caretaker relative is participating in a strike, on the last day of the month, that individual’s needs are not included in determining the amount of aid payable to the assistance unit for the month during which the individual is participating in the strike on the last day of that month.

**Expanded Subsidized Employment Program.** Adults who participate in CalWORKs are also required to participate in welfare-to-work activities, unless exempted, which includes: employment, education, job skills training, and/or vocational education, work study on college campuses, on-the-job training, community service, and job retention services, or activities to address or remove barriers like mental health, substance use disorder, and domestic abuse. The Expanded Subsidized Employment program is an optional program for counties and allows them to subsidize wages of CalWORKs recipients, usually for six months, and count toward welfare-to-work hours. Current law requires each participating county in the Expanded Subsidized Employment program to submit to the CDSS, at least once every two years, a plan or an amendment to an existing plan that specifies how the county intends to carry out specified activities.

**Proposed Law:** Specific provisions of the bill would:

- Exempt the following from being considered income for purposes of CalWORKs eligibility and aid amounts:
  - An in-kind gift.
  - Income that has been paid to a noncustodial parent.
- Delete the existing CalWORKs deprivation standard for unemployment, and instead require that a child is considered to be deprived of parental support or care due to the unemployment of their parent or parents regardless of the number of hours that

the child's parent works, provided the family does not exceed the applicable gross or net income limits and is otherwise eligible for assistance.

- Delete, to the extent permitted by federal law, the prohibitions on CalWORKs aid paid to an assistance unit if a caretaker relative or non-caretaker relative is participating in a strike.
- Require CDSS to conduct a CalWORKs expansion feasibility study, including estimated costs and identified necessary statutory changes for expansion; and require CDSS to submit the report to the Assembly Committee on Human Services and the Senate Committee on Human Services on or before January 1, 2027.
- Specify that for purposes of allowable welfare-to-work activities, the hours of self-employment must be computed based on the number of hours that the participant engaged in self-employment activity, regardless of the income earned by the participant.
- Add components to the existing required county plan for counties participating in the Expanded Subsidized Employment program and require CDSS to include additional information regarding the program in its CalWORKs Annual Summary, as specified.

**Related Legislation:** SB 119 (Committee on Budget and Fiscal Review, Chapter 79, Statutes of 2025) includes, among other provisions, changes to requirements for welfare-to-work activities.

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