
THIRD READING

Bill No: AB 1324
Author: Sharp-Collins (D) and Lee (D), et al.
Amended: 9/5/25 in Senate
Vote: 21

SENATE HUMAN SERVICES COMMITTEE: 4-1, 7/7/25
AYES: Arreguín, Becker, Durazo, Limón
NOES: Ochoa Bogh

SENATE APPROPRIATIONS COMMITTEE: 5-2, 8/29/25
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

ASSEMBLY FLOOR: 60-14, 6/3/25 - See last page for vote

SUBJECT: CalWORKs

SOURCE: Author

DIGEST: This bill makes several changes to the California Work Opportunity and Responsibility to Kids (CalWORKs) program including deleting the rule that families with unemployed parents who work over 100 hours a month are ineligible for CalWORKs assistance. This bill also makes changes to the extended subsidized employment program.

Senate Floor Amendments of 9/5/25 implement technical assistance.

ANALYSIS:

Existing law:

- 1) Establishes the federal Temporary Assistance for Needy Families (TANF) program, which permits states to implement the program under a state plan. (42 United States Code (USC) 601 et seq.)

- 2) Permits TANF financial assistance to any child that has been deprived of parental support or care by reason of the fact that his or her parent who is the principal earner is employed less than 100 hours a month; or exceeds that standard for a particular month if his or her work is intermittent and the excess is of a temporary nature as evidenced by the fact that he or she was under the 100-hour standard for two prior months and is expected to be under the standard during the next month. (45 Code of Federal Regulations Section 233.100)
- 3) Establishes the CalWORKs program to provide cash assistance and other social services for low-income families through the federal TANF program. Under CalWORKs, each county provides assistance through a combination of state, county, and federal TANF funds. (Welfare and Institutions Code (WIC) Section 11200 et seq.)
- 4) Establishes income, asset, and real property limits used to determine eligibility for the CalWORKs program and grant amounts based on family size and county of residence. (WIC Section 11150-11160, 11450 et seq.)
- 5) Requires all individuals 16 years of age or older, unless they are otherwise exempt, to participate in welfare-to-work activities as a condition of eligibility for CalWORKs. (WIC Section 11320.3, 11322.6)
- 6) Establishes asset limits to determine eligibility for CalWORKs aid. Prohibits a CalWORKs applicant or recipient from receiving aid if they have countable resources over \$10,000, or more than \$15,000 if one member of the household is age 60 or older or has a disability, or if they have a vehicle valued over \$25,000. Requires asset limits to be increased every year based on the California Necessities Index. (WIC Section 11155)
- 7) Establishes that a child is considered deprived of parental support for the purposes of receiving CalWORKs benefits due to the unemployment of their parent or parents when a parent has worked less than 100 hours in the preceding four weeks, and meets specified federal definitions of an unemployed parent. (WIC Section 11201(b))
- 8) Establishes that a family receiving CalWORKs benefits with a child who is considered to be deprived of parental support due to unemployment may continue to receive assistance regardless of the number of hours their parent works, provided the family does not exceed the applicable gross or net income limits and is otherwise eligible for assistance. (WIC Section 11201(c))

- 9) Requires the California Department of Social Services (CDSS) to, in consultation with the County Welfare Directors Association of California, develop an allocation methodology to distribute additional funding for expanded subsidized employment programs for CalWORKs recipients. Funds allocated may be utilized to cover all expenditures related to the operational costs of the expanded subsidized employment program, including the cost of overseeing the program, developing work sites, and providing training to participants, as well as wage and nonwage costs. (WIC Section 11322.64)
- 10) “Lockout” means any refusal by an employer to permit any group of five or more employees to work as a result of a dispute with such employees affecting wages, hours or other terms or conditions of employment of such employees. (Labor Code Section 1132.8)

This bill:

- 1) Prohibits, on July 1, 2026 or the date the department notifies the Legislature that the Statewide Automated Welfare System can perform the necessary automation, whichever is later, the requirement that a parent must not work more than 100 hours in the preceding four weeks in order to qualify for CalWORKs benefits.
- 2) Removes any limits on hours worked and allows parents to qualify as long as the family does not exceed the applicable gross or net income limits and is otherwise eligible for assistance, operative on July 1, 2026 or the date the department notifies the Legislature that the Statewide Automated Welfare System can perform the necessary automation, whichever is later.
- 3) Makes inoperative, on July 1, 2026 or the date the department notifies the Legislature that the Statewide Automated Welfare System can perform the necessary automation, whichever is later, the prohibition of aid to an assistance unit if a caretaker relative is participating in a strike on the last day of the month unless it is necessitated by an imminent health and safety hazard or abnormally dangerous working conditions at the place of employment as determined by the Division of Occupational Safety and Health, as specified.
- 4) Allows a family to continue receiving CalWORKs payments if a caretaker relative is, on the last day of the month, participating in a strike, or a lockout as defined in state law, and that persons needs shall be included when determining the amount of aid payable, to extent permitted by federal law

operative on July 1, 2026 or the date the department notifies the Legislature that the Statewide Automated Welfare System can perform the necessary automation, whichever is later.

- 5) Requires CDSS to conduct a CalWORKs expansion feasibility study, which must include estimated costs and identifies necessary statutory changes for expansion. Requires CDSS to consult with the County Welfare Directors Association of California as needed. Requires CDSS to include recommendations within the report of the study and submit the report to the Assembly Committee on Human Services and the Senate Committee on Human Services on or before January 1, 2028.
- 6) Requires CDSS to receive feedback from representatives of labor unions and public benefit advocates before meetings between CDSS and the County Welfare Directors Association of California to determine the amount of funding allocated for operational costs from the additional funding for expanded subsidized employment programs for CalWORKs recipients, consistent with the number of employment slots anticipated to be created and the funding provided.
- 7) Requires each county, in its biennial plan on expanded subsidized employment submitted to CDSS, also include how it intends to:
 - 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.
 - b) Prevent subsidized employment placements that supplant work that a public employee would have otherwise been hired to do.
 - c) Prevent placement with employers that have a history of a bad safety record, resolved or pending litigation, violations, citations, fines, or penalties relating to any state or federal environmental or labor laws within the last 10 years.
- 8) Prohibits any appropriation to be made to implement this bill.

Comments

According to the author, “AB 1324 modernizes and expands access to California’s vital CalWORKs program by extending eligibility to self-employed individuals, workers exceeding 100 hours per month, and those participating in labor strikes. These changes reflect the realities of today’s workforce and remove outdated

barriers that prevent struggling families—especially those led by Latina and Black mothers—from receiving critical support. By ensuring that CalWORKs prioritizes job opportunities that offer long-term stability and career growth, this bill strengthens the program’s ability to lift families out of poverty. AB 1324 also directs a feasibility study to explore further expansions and address inequities in access, reinforcing our commitment to building a more inclusive and effective safety net for all Californians.”

CalWORKs. As the California’s version of the federal TANF program, CalWORKs is the state’s largest anti-poverty program. CalWORKs 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 are provided education, employment, and training services designed to help remove barriers to work and promote self-sufficiency. These services are typically outlined in a welfare-to-work plan. CDSS is the designated state agency responsible for program supervision at the state level, and counties are responsible for administering the program at the local level.

Eligibility for CalWORKs is based on family size, income level, and region. Families must show economic hardship through income and asset tests and participation in the program is also time limited. Adults are only allowed to use CalWORKs for 60 months in their lifetime. Children of adults who receive cash aid can continue to receive benefits until they are 18 years old in California.

Welfare-to-Work. 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. Eligible families can also receive supportive services like child care, transportation, ancillary expenses, mental health services, substance abuse services, and personal counseling.

CalWORKs Income and Asset Limits. In order to be eligible for CalWORKs, families must meet income and asset tests, both of which require specified calculations that take into account many factors, including earned income, disability-based unearned income, and other unearned income. Eligibility standards require that a family’s countable income must be less than the “Minimum Basic

Standard of Adequate Care,” which varies based on family size and where the family resides (some areas in California are designated high cost of living areas). As of October 1, 2024, a family of four living in Los Angeles County must earn less than \$1,579 in countable monthly income in order to be eligible for CalWORKs benefits. Under current law, certain types of income are considered exempt in the CalWORKs program, which means they are not counted when calculating a person’s program eligibility for the program and cash benefit amount they receive. Examples include, income that is received too infrequently to be reasonably anticipated or income from college work-study programs. This bill adds in-kind gifts and income that has been paid to a non-custodial parent to the list of income sources that are exempt from consideration as income for the purposes of CalWORKs.

CalWORKs Deprivation Standard. The state’s deprivation standards were originally enacted to comply with federal Aid to Families with Dependent Children (AFDC) rules, which required two-parent families to take additional steps to prove deprivation in order to receive aid. The AFDC statute was replaced in 1996 with the TANF program, which emphasized work preparation in conjunction with receipt of the grant. One of the four core purposes of the TANF program is to encourage the formation and maintenance of two-parent families.

The deprivation test 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, or incarceration of a parent, the unemployment of a parent or parents, or the continued absence of a parent, as defined. Consequently, the only way a two-parent household can meet the deprivation test is if the principal wage earner is unemployed, which is defined as working less than 100 hours in a month, regardless of their income. The 100-hour work limit is a remnant of the prior AFDC law, which was based on the assumption that an average of 25 hours per week would put a family above the threshold to receive cash benefits.

Many states have modified or removed special requirements for two-parent units, but California remains one of a few states that has the 100-hour limit in statute. The elimination of this rule would allow county eligibility workers to evaluate applications based only on income limits and allow more families to receive benefits that would otherwise qualify. An evaluation of the Minnesota Family Investment Program found that when “the 100-hour and work history rules were removed, two-parent families were allowed to retain more of their earnings”¹.

¹ Paula Roberts and Mark Greenberg. Marriage and the TANF Rules: A Discussion Paper. Center for Law and Social Policy. February 1, 2005

Studies of the program have also found that rules like the 100-hour rule discourage employment rather than incentivize it. This bill would remove 100-hour standard for purposes of determining if a family meets the deprivation standard.

Expanded Subsidized Employment Program. The expanded subsidized employment program includes all subsidized employment in the CalWORKs program, outside of the general employment services funding included in the CalWORKs single allocation. The program is optional for counties and allows them to subsidize wages of CalWORKs recipients, usually for six months, and counts toward welfare-to-work hours. Participants may be placed with a private, non-profit, or public agency with the goal of building skills that lead to higher wages and long-term employment. The program has shown to be successful in increasing earnings, with 2019-20 program data showing the median quarterly income among a group of expanded subsidized employment participants began at \$2,630 and ended at \$5,348 post-expanded subsidized employment participation. This bill makes a number of changes to the expanded subsidized employment program meant to improve job placements including prioritizing subsidized employment placements that with employers that have a joint labor-management letter of support and increased data collection on placements.

Related/Prior Legislation

SB 996 (Kamlager, 2022) would have repealed the consideration of an individual's or family's assets as a condition of eligibility for CalWORKs and repealed the 100-hour standard described above for purposes of determining a child's deprivation of parental support or care due to the unemployment of their parent. The bill was held in the Assembly Appropriations Committee.

SB 80 (Committee on Budget and Fiscal Review, Chapter 27, Statutes of 2019) increased asset limits for CalWORKs to \$10,000, or \$15,000 for families that include a member who is 60 years of age or older or who has a disability.

AB 371 (Mullin, 2015) would have removed the deprivation standard for purposes of determining eligibility for CalWORKs, and would have instead required that aid be granted to a family if the family meets applicable eligibility requirements, without regard to the absence or employment status of the parent, among other changes to CalWORKs requirements. The bill was vetoed.

AB 1502 (Mullin, 2014) would have removed the deprivation standard for purposes of determining eligibility for CalWORKs, and would have instead

required that aid be granted to a family if the family meets applicable eligibility requirements, without regard to the absence or employment status of the parent, among other changes to CalWORKs requirements. The bill was held in the Senate Appropriations Committee.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee, there are unknown ongoing General Fund costs for additional benefits provided; unknown General Fund costs for automation. There is no fiscal impact to the California Department of Social Services (CDSS) for state operations. There are 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.

SUPPORT: (Verified 9/5/25)

Alliance for Children's Rights

Alliance San Diego

California Alliance for Retired Americans

Coalition of California Welfare Rights Organizations

Seiu California

OPPOSITION: (Verified 9/5/25)

None received

ASSEMBLY FLOOR: 60-14, 6/3/25

AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Davies, DeMaio, Dixon, Ellis, Flora, Gallagher, Jeff Gonzalez, Hadwick,
Hoover, Macedo, Patterson, Sanchez, Tangipa, Wallis

NO VOTE RECORDED: Alanis, Castillo, Chen, Lackey, Ta

Prepared by: Naima Ford Antal / HUMAN S. / (916) 651-1524

9/8/25 21:40:14

**** END ****