

GOVERNOR'S VETO
AB 1324 (Sharp-Collins and Lee)
As Enrolled September 15, 2025
2/3 vote

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.

Senate Amendments:

- 1) Make the feasibility study due 2028 instead of 2027.
- 2) Delay automation and implementation to July 1, 2026, or the date the department notifies the Legislature that the Statewide Automated Welfare System can perform the necessary automation to implement, whichever date is later.
- 3) Remove the requirement that 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 be included in the CalWORKs Annual Summary.
- 4) Make conforming changes to align with SB 119 (Committee on Budget and Fiscal Review) Chapter 79, Statutes of 2025.

Governor's Veto Message

This bill would expand eligibility for the California Work Opportunity and Responsibility to Kids (CalWORKs) program; require the California Department of Social Services (CDSS), in collaboration with key stakeholders, to determine the Expanded Subsidized Employment (ESE) funding allocation; and require CDSS to conduct a CalWORKs expansion feasibility study by January 1, 2028.

While I support the author's goal of expanding eligibility for working families in poverty, this bill creates significant, ongoing cost pressures not accounted for in the 2025 Budget Act. In partnership with the Legislature this year, my Administration has enacted a balanced budget that recognizes the challenging fiscal landscape our state faces while maintaining our commitment to working families and our most vulnerable communities. With significant fiscal pressures and the federal government's hostile economic policies, it is vital that we remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

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 welfare-to-work (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.

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.

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."

Arguments in Support

According to California Association of Nonprofits, "[This bill] establishes fair, transparent criteria and a consistent state process to prevent politically motivated efforts to silence or punish nonprofits based on their work or the communities they serve."

Arguments in Opposition

No opposition on file.

FISCAL COMMENTS

According to the Senate Appropriations Committee on August 29, 2025:

- 1) Unknown ongoing General Fund costs for additional benefits provided.
- 2) Unknown General Fund costs for automation.
- 3) No fiscal impact to the California Department of Social Services (CDSS) for state operations.
- 4) 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.

VOTES

ASM HUMAN SERVICES: 5-2-0

YES: Lee, Calderon, Elhawary, Jackson, Celeste Rodriguez

NO: Castillo, Tangipa

ASM APPROPRIATIONS: 11-2-2

YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache

NO: Dixon, Tangipa

ABS, ABST OR NV: Sanchez, Ta

ASSEMBLY FLOOR: 60-14-5

YES: 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

NO: Davies, DeMaio, Dixon, Ellis, Flora, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Macedo, Patterson, Sanchez, Tangipa, Wallis

ABS, ABST OR NV: Alanis, Castillo, Chen, Lackey, Ta

SENATE FLOOR: 30-10-0

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNERney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ASSEMBLY FLOOR: 60-15-5

YES: 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

NO: Castillo, Davies, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Macedo, Patterson, Sanchez, Tangipa, Wallis

ABS, ABST OR NV: Alanis, Chen, Flora, Lackey, Ta

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