

ASSEMBLY THIRD READING  
AB 1755 (Sharp-Collins and Lee)  
As Introduced February 9, 2026  
Majority vote

## SUMMARY

Authorizes a parent to work any number of hours and still qualify for CalWORKs provided the family does not exceed the applicable gross or net income limits and is otherwise eligible for assistance. Specifically, *this bill*, removes the provision that requires, in order to meet eligibility for CalWORKs under the deprivation of parental support standard, a parent to work less than 100 hours in the preceding four weeks and to meet specified federal requirements.

## Major Provisions

## COMMENTS

Background: *CalWORKs Overview*. 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 education, employment and training programs, and supportive services to give families opportunities to build resilience and achieve critical economic mobility.

In Fiscal Year 2024-25, 358,942 families received assistance, and the Administration projects a 1.3% increase to 363,766 families. As of October 2025, 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 \$1,175, which is 53% of the 2025 Federal Poverty Level (FPL). The average grant amount in FY 25-26 was \$999.

*CalWORKs Eligibility*. CalWORKs is administered by each county, where each county determines eligibility through an application and an interview. Applicants must display eligibility of deprivation, age, property, residency, and income.

*Deprivation*: The aided child must be deprived of parental support or care because at least one parent is:

- 1) Deceased;
- 2) Either physically or mentally incapacitated;
- 3) The applicant parent is not working or is working less than 100 hours per month; or,
- 4) Continually absent from the home.

*Age*: Children may be eligible for CalWORKs until their 18th birthday, or are 18 years of age and in high school or vocational school full-time, and are expected to complete either program before their 19th birthday, or they are disabled and attend school full-time.

*Property:* The property of a child and the parent(s) must be under the following limits:

- 1) Families without elderly or disabled members may have \$12,137 combined personal and real property per family.
- 2) Families with elderly (those who are 60 years of age or older) or disabled members may have \$18,206 combined personal and real property per family.
- 3) Furniture, clothing, and appliances are exempt.
- 4) The family home is exempt provided the family lives in the home.
- 5) Automobiles may be exempt for specific uses and/or up to \$33,499.

*Residency:* There are no durational residency requirements for the CalWORKs program. Families who make their residence in California and who intend to continue to live in California may be eligible. Family members must be legal residents of the United States.

*Income Limits:* A new CalWORKs Income Reporting Threshold (IRT) is released every year for the new Federal Fiscal Year, which runs from October 1 to September 30. If a family's gross monthly income exceeds the IRT, the family must report their income, which requires the county to re-evaluate the family's case. Because the IRT is determined annually, the California Department of Social Services (CDSS) issues a new chart each fall to reflect changes. According to All County Letter No. 25-61 and effective October 1, 2025, to financially qualify, applicants must qualify using either Tier One or Tier Two in the IRT. The CalWORKs IRT amount for each family is the lower of the tiers below.

- 1) Tier One IRT: \$1,222 (55% of the 2025 FPL for a family of three) plus the amount of income last used to calculate the family's FPL monthly benefits; or
- 2) Tier Two IRT: The amount of income which may render the family ineligible for CalFresh, or 130% of the 2025 FPL, as shown in the chart.

*CalWORKs Welfare-to-Work Requirement.* Unless deemed exempt, an adult in a one-parent assistance unit is required to participate in welfare-to-work activities for an average of 30 hours per week or, in the case of someone who is pregnant or parenting a child under six years of age, an average of 20 hours per week, monthly. In a two-parent assistance unit, one or both adults must participate in welfare-to-work activities for a combined average of 35 hours per week. Welfare-to-work 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 welfare-to-work 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.

Supportive services are available for families participating in welfare-to-work activities. They include childcare, transportation, ancillary expenses, mental health services, non-medical substance abuse services, and personal counseling. A recipient may be excused from

participating in welfare-to-work activities for good cause and will not be sanctioned if required supported services are not available.

*This bill* would allow a participant to work any number of hours and still qualify for assistance as long as they pass the means test and do not exceed income requirements. To put this into context, California's minimum wage is \$16.90, and if someone works 160 hours/month, they are grossing \$2,704/month. If they were a family of three, they would be income-eligible, but ineligible due to the deprivation eligibility requirements which cap the number of hours a parent can work while still receiving aid.

### **According to the Author**

"California's safety net should support families who are working to make ends meet, not penalize them for doing so. The 100 hour rule is an outdated provision that denies assistance to families who remain in poverty simply because a parent works additional hours. [This bill] modernizes CalWORKs by eliminating this obsolete barrier and ensuring that eligibility is based on income and need. This bill advances equity, supports family stability, and strengthens California's commitment to reducing child poverty."

### **Arguments in Support**

The Reimagine CalWORKs Coalition writes, "The 100-hour rule policy assumes that working an average of 25 hours a week can generate enough income for a parent to provide for their family and further assumes the family's income is above the eligibility threshold (known as the Minimum Basic Standard of Adequate Care or MBSAC). This old welfare rule known as the "work penalty" was adopted after the welfare reform era of the 1990's. It was based on assumptions about sufficiency of income from hours worked, which can be incorrect, and which have served no good purpose but to punish hard working families and harm children who are poor. California is one of only four states that still implements this regressive 100-hour AFDC policy from the early 20th century. The other states are Kentucky, Mississippi, and South Dakota."

### **Arguments in Opposition**

None on file.

## **FISCAL COMMENTS**

According to the Assembly Appropriations Committee on April 22, 2026:

This bill will likely result in ongoing state costs in the low millions of dollars annually for increased benefit amounts and administration and one-time costs for automation changes. These costs are estimated as follows:

- 1) CDSS estimates ongoing General Fund costs of approximately \$1.3 million in the first year and \$2.5 million ongoing thereafter for additional benefits due to increased eligibility resulting from the elimination of the 100-hour rule. This estimate is based on a monthly grant cost of \$992, ongoing monthly employment services costs of \$558 per family, ongoing monthly childcare costs of \$980 per family, and 2025 data indicating approximately 121 families in the first year and 146 families ongoing will be newly eligible for CalWORKs benefits under this bill. Actual costs may vary and will depend on uptake in caseload.

California's annual \$3.7 billion federal TANF block grant may be used flexibly within the CalWORKs program. It is fully allocated within the existing and proposed state budgets. Therefore, this analysis assumes any new costs for CalWORKs will be funded by the GF. State GF costs may be mitigated to the extent TANF funding is not fully expended in any particular year, or if one of the CalWORKs subaccounts has sufficient revenue available to support grant costs.

- 2) CDSS estimates one-time GF automation costs of approximately \$218,500 for system updates to the California Statewide Automated Welfare System (CalSAWS) to remove the 100-hour rule limitation.
- 3) Administrative costs to county social workers for increased workload due to expanded eligibility are unknown, but potentially reimbursable by the state, subject to a determination by the Commission on State Mandates.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

## VOTES

### ASM HUMAN SERVICES: 7-0-0

**YES:** Lee, Castillo, Gipson, Elhawary, Jackson, Solache, Tangipa

### ASM APPROPRIATIONS: 15-0-0

**YES:** Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

## UPDATED

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