

California Department of Social Services (CDSS)
California Work Opportunity and Responsibility to Kids (CalWORKs)
Assembly Bill 98 Subsidized Employment
Cost Neutrality Example: “Callie Works”

- Callie Works is the head of household of a family of three.
- The family received a CalWORKs grant of \$608 in the month prior to Callie entering AB 98 Subsidized Employment.
- Callie obtains a customer service job at Sub City Manufacturing for \$1200 per month.
- The state will provide a subsidy up to 50% of her gross monthly wage minus \$56.
 - $\$1,200 \times 50\% = 600 - \$56 = \$544$.
 - \$56 is half of the \$112 income disregard.
- Income disregards of \$112 and 50% apply to Callie’s monthly gross wage.
 - $\$1,200 - \$112 = \$1088 \times 50\% = \544
 - \$544 remains after income disregards to apply to the family’s cash grant.
- Subsidy cost of \$544 is offset by equal reduction of \$544 to family’s grant.
 - $\$608 - \$544 = \$64$ residual grant.
- \$544 subsidy cost = \$544 grant savings.
- **Cost Neutrality Achieved!**

