
SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	SJR 15	Hearing Date:	July 1, 2026
Author:	Jones		
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Urgency:		Fiscal:	Yes
Consultant:	Alma Perez-Schwab		

SUBJECT: The federal Unemployment Trust Fund: debt

KEY ISSUE

This joint resolution would urge the United States Congress to enact federal legislation that would ensure that federal unemployment taxes on businesses are not increased due to any debt to the federal Unemployment Trust Fund that was a direct result of a state's decisions resulting in increased filings, including shutdowns, extensions of shutdowns, or lapses in fraud prevention programs.

ANALYSIS

Existing law:

- 1) Creates a comprehensive Unemployment Insurance (UI) system, administered by the Employment Development Department (EDD), where employers pay an experienced-based tax on total payroll that is used to fund UI benefits for unemployed workers. (UI Code §§ 301, 602, 675, 926, 970, 977 & 1251)
- 2) Defines a worker as "unemployed" in any week in which they meet any of the following:
 - a) Any week during which they perform no services and with respect to which no wages are payable to them;
 - b) Any week of less than full-time work, if the wages payable to them with respect to the week, when reduced by \$25 or 25 percent of the wages payable, whichever is greater, do not equal or exceed the worker's weekly benefit amount;
 - c) Any week for which a worker is unable to work due to mental or physical health illness or injury, as specified; or,
 - d) Any week during which they perform full-time work for five days as a juror, or as a witness under subpoena.(UI Code §1252)
- 3) UI compensation benefits are calculated based on wages paid in a worker's base period, as specified, and provides up to a maximum of \$450 each week. (UI Code §1280)
- 4) Provides that an individual is disqualified for UI benefits if the individual left their most recent work voluntarily without good cause or that they have been discharged for misconduct connected with their most recent work. (UI Code §1256)

This bill:

1) Declares that:

- a. The Federal Unemployment Tax Act levies a payroll tax on employers and provides a credit against this tax for contributions made to certified state unemployment compensation programs. The credit is reduced when a state has a debt to their account in the federal Unemployment Trust Fund for a specified number of years, thus requiring employers to pay more federal unemployment tax, and California's debt currently exceeds \$20 billion;
 - b. According to the California Business Roundtable, the state's employers will soon pay a 5.2-percent payroll tax, nearly nine times as much as those in other states that are debt free, plus their state payroll taxes;
 - c. A January 25, 2021, press release from the Employment Development Department (EDD) confirmed that 9.7 percent of \$114 billion distributed in 2020 in unemployment benefits were sent to fraudulent claims. The Employment Development Department also acknowledged that there was another 17 percent of payments that the department was investigating as potentially fraudulent;
 - d. The total amount of fraud is estimated to be at least \$20 billion;
 - e. In 2021, the EDD estimated that 5 percent of the confirmed fraud was from the state's Unemployment Insurance Fund;
 - f. Fraudulent claims can contribute to the insolvency of a state's account in the federal Unemployment Trust Fund, which means employers in those states may have to pay increased taxes for decades to come as they slowly return the state's account to solvency, which is not fair to businesses.
- 2) Resolves that, for the reasons declared above, the Legislature urges the United States Congress to enact federal legislation that would ensure that federal unemployment taxes on businesses are not increased due to any debt to the federal Unemployment Trust Fund that was a direct result of a state's decisions resulting in increased filings, including shutdowns, extensions of shutdowns, or lapses in fraud prevention programs; and be it further
- 3) Directs the Secretary of the Senate to transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, the Majority and Minority Leaders of the Senate, each Senator and Representative from California in the Congress of the United States, and to the author for appropriate distribution.

COMMENTS**1. Background:***Unemployment Insurance Program:*

Created in 1935 as part of the Social Security Act of 1935, the UI program is a unique federal-state program, created by federal law and administered under state and federal laws by EDD. UI provides weekly benefits, for up to a maximum of 26 weeks, unless extended by law, to workers who are unemployed (or underemployed) through no fault of their own and who are able to, available for, and actively seeking work.

Claimant Benefit Calculations:

A claimant's eligibility for benefits depends on their attachment to the labor force determined by computing a minimum earnings test. This requirement denies benefits to claimants whose earnings in a 12-month "base period" are below a specified minimum. The quarter in which the highest wages were received determines the weekly benefit amount. UI benefits range from \$40 to a maximum of \$450 per week. In 2023, the California average UI benefit amount was \$368 per week. The United States total for the 12-month average of weekly benefit amount ending on February 29, 2024 was \$443.85.¹

Financing Structure:

The UI program is financed by employers who pay unemployment taxes on the first \$7,000 in wages paid to each worker. The tax rates are set based on schedules laid out in state law, which require higher rates, up to a maximum of 6.2 percent, when the condition of the UI trust fund is poor.² Working much like other insurance programs, the actual tax rate varies for each employer, depending in part on the amount of UI benefits paid to former employees. Referred to as being "experience rated," this method of taxing ensures that employers who lay off or otherwise discharge more workers bear more of the costs of paying for the UI system. An employer may earn a lower tax rate when fewer claims are made on the employer's account by former employees.

According to the United States Department of Labor (US DOL), almost all states have adopted a higher taxable wage base than applicable under the Federal Unemployment Tax Act (FUTA) for purposes of assessing state UI taxes. The \$7,000 taxable wage base has not been increased since 1983. Some states have established flexible taxable wage bases that are automatically adjusted, generally on an annual basis. According to the US DOL, most of these states index the taxable wage base to the state's average annual wage. Other states tie the taxable wage base to the health of the state's trust fund balance.

California, however, has neither a taxable wage base above \$7,000 nor a provision in law that automatically adjusts the taxable wage base if FUTA is amended to apply to a higher amount.³ In reviewing the US DOL data comparisons, it appears that Washington is the state with the highest taxable wage base at \$62,500. At the lower end, California shares the lowest \$7,000 taxable wage base spot with Tennessee, Arizona, Florida, Puerto Rico and Louisiana at \$7,700.⁴ According to the US DOL, besides the U.S. Virgin Islands, California's trust fund was the least adequately funded of all 53 UI programs heading into the pandemic.⁵

COVID-19 Pandemic and EDD:

The COVID-19 pandemic and the shutdown orders to mitigate the spread of the virus led to a dramatic increase in unemployment beginning in March 2020. Millions of Californians were left unemployed and in critical need of assistance to replace some of the income in which they relied to pay for essentials. Supplemental benefits authorized by President Donald Trump through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act of

¹ <https://oui.doleta.gov/unemploy/DataDashboard.asp>

² Alamo, Chas. "Repaying the State's Federal Unemployment Insurance Loan," Legislative Analyst's Office, May 26, 2021. <https://lao.ca.gov/Publications/Report/4442>

³ U.S. Department of Labor, Comparison of State Unemployment Laws 2022. Chapter 2 – Financing, 2-4 and 2-5. <https://oui.doleta.gov/unemploy/pdf/uilawcompar/2022/complete.pdf>

⁴ U.S. Department of Labor, Comparison of State Unemployment Laws 2022. Chapter 2 – Financing, 2-5. <https://oui.doleta.gov/unemploy/pdf/uilawcompar/2022/complete.pdf>

⁵ U.S. Department of Labor, "State Unemployment Insurance Trust Fund Solvency Report 2020," <https://oui.doleta.gov/unemploy/docs/trustFundSolvReport2020.pdf>

2020, including Pandemic Unemployment Assistance and Pandemic Emergency Unemployment Compensation, further increased the volume and dollar amount of payments. As noted by President Trump at the signing of H.R. 748/CARES Act, the federal government provided “Approximately \$250 billion in expanded unemployment benefits. The average worker who has lost his or her job will receive 100 percent of their salary for up to four full months.”⁶

By April 2020, the unemployment rate had surpassed previous peaks observed during the Great Recession. At its peak, the unemployment rate in California reached 16 percent in April 2020. According to EDD, since March 2020, 36.4 million UI claims have been filed and EDD has paid \$209 billion in UI benefits.⁷

EDD struggled to service this unprecedented volume of claims and because of the new populations of unemployed individuals eligible for UI under the Pandemic Unemployment Assistance program (the self-employed), EDD was exposed to a range of fraudulent activity. Under scrutiny for its handling of claims and ensuing fraudulent activity, EDD has been the subject of several State Auditor reports, Legislative Analyst’s Office reports and a Governor-directed EDD Strike Team to set a path for needed reforms at EDD. In addition, the Legislature held several oversight hearings on the department and passed into law numerous bills that addressed the various issues facing EDD. EDD has implemented all of the recommendations put forth by the State Auditor.

UI Federal Loan:

Due to the sudden and immense impact of COVID-19, the UI Fund became temporarily insolvent on April 29, 2020, and fluctuated in and out of solvency until maintaining a deficit starting June 3, 2020. As a result, in 2020, California began borrowing from the federal government to pay regular UI benefits, and ended the year with a federal loan balance of \$17.8 billion. The loan balance is estimated to be \$21.4 billion by the end of 2027.⁸

In order to repay the principal on the federal loan, federal law imposes a tax increase on employers, referred to as the Federal Unemployment Tax Act (FUTA) credit reduction. This happens when a state UI Fund is in deficit for two consecutive years. Once this occurs, the state loses 0.3 percent of the FUTA tax credit each year, which is the equivalent of an increase in federal taxes of \$21 per worker per year. Despite a loan balance at the end of 2020, the FUTA tax credit reduction was not assessed in that year, as California had not been in deficit for two consecutive years. The FUTA credit reductions started occurring for tax year 2022, with the higher federal taxes due in January 2023. The federal tax increase generated \$396 million in 2023, \$775 million in 2024, and \$1.2 billion in 2025 in contributions, and the FUTA tax collections are projected to increase to \$1.6 billion in 2026 and \$2.0 billion in 2027.⁹

According to the LAO, “As the administration expects the underlying gap to worsen faster than the federal surcharge revenues increase, the annual fund imbalance is expected to continue despite federal payroll tax surcharges. Consequently, the administration expects the outstanding federal UI loan balance to increase by more than \$1 billion over the two-year

⁶ <https://trumpwhitehouse.archives.gov/briefings-statements/remarks-president-trump-signing-h-r-748-cares-act/>

⁷ <https://edd.ca.gov/en/newsroom/facts-and-stats/dashboard/>

⁸ EDD May 2026 UI Fund Forecast. <https://edd.ca.gov/siteassets/files/unemployment/pdf/2026-may-ui-fund-forecast.pdf>

⁹ EDD May 2026 UI Fund Forecast. <https://edd.ca.gov/siteassets/files/unemployment/pdf/2026-may-ui-fund-forecast.pdf>

period, from \$19 billion in 2022 to \$20.3 billion in 2024.”¹⁰ The state pays the interest on these loans from the General Fund. The federal loan is not expected to be paid off until between 2030 and 2032, depending on low and high-cost scenarios.

Interest on the UI loan started accruing on September 7, 2021, and the first interest payment of \$29.2 million was paid on September 30, 2021. California paid a second interest payment of \$333.5 million on September 30, 2022, a third interest payment of \$301.6 million on September 30, 2023, and a fourth interest payment of \$467.2 million on September 30, 2024. A fifth interest payment of \$628.3 million was paid on September 30, 2025, and California will continue to owe interest until the loan is paid off completely.¹¹

UI Fund Balance – not counting the UI federal loan debt:

California’s unemployment rate has remained steady at 5.3 percent as of May 2026. The UI fund ended 2024 with a deficit of \$21.6 billion and ended 2025 with a deficit of \$21.7 billion, and the Fund is expected to continue running a deficit of \$22.0 billion by 2026 and \$21.4 billion by 2027.¹² Regular UI benefit amounts have declined from the peak of the COVID-19 pandemic. Despite this decline, the current financing system will not reduce the outstanding federal deficit absent annually increasing FUTA credit reductions.¹³

Legislative Analyst’s Office: Fixing Unemployment Insurance

In December 2024, the LAO released a report on the UI program which found that the UI financing system is broken and as a result: 1) the annual shortfalls will balloon our outstanding federal UI loan; 2) loans will become a permanent feature of UI and a major ongoing taxpayer cost; and 3) the UI program will be unable to build reserves ahead of the next recession.¹⁴ The LAO found that the state’s UI tax system requires a full redesign so that contributions: 1) cover benefit costs in most years, and (2) build up a reserve that can be drawn down during recessions.

The LAO provided the following four recommendations to fix the UI system¹⁵:

- ***Substantially Increase the Taxable Wage Base.*** We recommend the Legislature increase the taxable wage base from \$7,000 to \$46,800, tying the taxable wage base to the amount of UI benefits a worker can actually receive (\$450 per week). Taxing this level of earnings means no taxes would be paid on wages that are not covered by UI. This taxable wage base level would place California among the ten states with taxable wages bases above \$40,000 and all other Western states. *While necessary, this step alone would not be sufficient to address the state’s solvency problems.*
- ***Redesign Employer Tax Rates Using Standard Rate and Reserve-Building Rate.*** Following federal guidelines, we recommend the state adopt a simple, robust UI tax structure comprised of a standard tax rate and a reserve-building tax rate. The standard tax rate would cover typical UI benefit costs. The reserve-building rate would help the

¹⁰ Alamo, Chas. “New Unemployment Insurance Fund Forecast Shows Imbalance,” Legislative Analyst’s Office, July 7, 2023. <https://lao.ca.gov/LAOEconTax/article/Detail/779>

¹¹ EDD May 2026 UI Fund Forecast. <https://edd.ca.gov/siteassets/files/unemployment/pdf/2026-may-ui-fund-forecast.pdf>

¹² Ibid.

¹³ Ibid.

¹⁴ Petek, Gabriel. “Fixing Unemployment Insurance,” Legislative Analyst’s Office, December 2024.

<https://lao.ca.gov/reports/2024/4943/Fixing-Unemployment-Insurance-120224.pdf>

¹⁵ Ibid.

state build up a robust reserve that can be drawn down during recessions. Under current conditions, the standard tax rate would be 1.4 percent and the reserve-building rate would be 0.5 percent, for a total of 1.9 percent UI tax rate applied to our proposed \$46,800 taxable wage base.

- ***Transition to Experience Rating System with Fewer Downsides.*** We recommend the Legislature transition to a new experience rating system that bases employers' tax rates on increases or decreases in their employment, rather than an exact accounting of their former workers' UI costs (as the current system operates). This approach would continue to reflect, indirectly, employers' costs to the UI system because business that reduce employment tend to have higher UI usage. Thus, this alternative approach maintains the policy goals of experience rating but does not suffer from the main downsides of the current system.
- ***Refinance the Federal Loan with Shared Participation Between Businesses and the State.*** The outstanding federal loan complicates the state's efforts to fix its broken UI financing system: as long as the federal loan remains outstanding, even an improved tax system would probably not be able to build reserves ahead of the next recession. To address this, and in acknowledgment of the unique nature of the pandemic that caused the significant UI loan, we outline a shared approach to refinancing the federal loan. This would involve two equal parts: (1) a revenue bond paid back by employers and (2) new borrowing from the Pooled Money Investment Account paid back by the General Fund.

ACA 20 – Save for California's Future Act:

Among other things, Assembly Constitutional Amendment 20 (chaptered on 6/25/26 as Chapter 130, Statutes of 2026) would, subject to voter approval, amend the provisions of Proposition 2 to build more reserves and extend and expand extra debt payments. Proposition 2 (2014), one of the state's rainy day funds, established a set of formulas that determine how much in reserves the state must set aside each year. Among its provisions, ACA 20 would authorize the state to use the Proposition 2 debt payments to pay the state's federal UI loan.

2. Stated need for this joint resolution?

According to the author:

“Given the length of time (from 2023 into the 2030s) that it may take to pay off the loan balance, employers are going to be facing a significant tax increase. In this case, actions taken by the Legislature and Governor, which created a structural imbalance over a decade ago (i.e., increasing UI benefits without offsetting the increased costs in SB 40 (Alarcon) 2001, which was opposed by all Republican Legislators) combined with unanticipated rates of unemployment caused by the Governor's shuttering of the economy created this backdoor tax increase on employers.

This is unfair and will end up harming the state's job creators, as employers are being forced through higher taxes to repay a loan balance to federal government that was a result of state action rather than employer action. In this case, businesses were ordered to shut their doors, which meant their employees had to go on unemployment. As mentioned above, the current UI funding scheme is intended to shift more of the burden for funding the UI system on those

employers responsible for laying off a higher percentage of workers. In other words, it attempts to hold accountable those who create a greater strain on the system. As it relates to the current strain on the system, the state is responsible for it and therefore must be accountable by paying for it. By requiring employers to pick up the tab for this state action, California is essentially forcing employers into the role of providing a safety net, which is an improper role for employers.

This will harm employers, especially the many small and medium size employers who are still trying to recover from the forced closures and the additional costs/burdens placed upon them by the state's response to COVID-19. The higher UI taxes will interfere with their ability to pay off debt accumulated while shut down, while also affecting their ability to recover and grow.”

3. Proponent Arguments:

None received.

4. Opponent Arguments:

None received.

5. Prior/Related Legislation:

SB 1434 (Durazo, 2024) would have implemented reforms to the UI program that would have, among other things, increased the \$7,000 taxable base wage to an unspecified amount and increased UI benefits to a maximum amount of \$700, plus annual cost of living adjustments. *SB 1434 was pulled from hearing by the author and never heard.*

SUPPORT

None received

OPPOSITION

None received

-- END --

SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	AB 65	Hearing Date:	July 1, 2026
Author:	Aguiar-Curry		
Version:	December 3, 2024		
Urgency:	No	Fiscal:	No
Consultant:	Alma Perez-Schwab		

SUBJECT: School and community college employees: paid disability and parental leave

KEY ISSUE

This bill requires public school employers, for certificated or classified employees, and community college districts, for an academic or classified employee, to provide up to 14 weeks of fully paid pregnancy disability leave to employees who are unable to work due to pregnancy, miscarriage, childbirth, termination of pregnancy, or recovery from those conditions.

ANALYSIS

Existing federal law:

- 1) Establishes the Family Medical Leave Act (FMLA) to provide most employees the right to take up to 12 weeks of job-protected, unpaid time off work for the birth or adoption of a child, due to a serious health condition of the employee, for an exigency arising out of the fact that the employee's close relative is a military member on active duty, and for the employee to care for a close relative with a serious health condition. Applies these provisions to private employers that employ 50 or more employees during each of 20 or more calendar workweeks in the current or preceding year. (28 U.S.C. §2601 et seq., §2611)

Existing state law:

- 2) Establishes the California Family Rights Act (CFRA) and makes it an unlawful employment practice for an employer to refuse to grant a request from an eligible employee to take up to a total of 12 weeks off (unpaid) in any 12-month period for specified family care and medical leave. Defines "family care and medical leave" to mean taking leave to care for a new child; to care for a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner who has a serious health condition; to take leave because of the employee's own serious health condition; or for a qualifying exigency related to the employee's close family's active duty as a member of the Armed Forces, as specified. Provides that these provisions only apply to employers with five or more employees, and to employees who have held their job for at least a year and worked at least 1,250 hours in the previous 12-month period. (Government Code §12945.2)
- 3) Under Pregnancy Disability Leave (PDL) provisions, makes it an unlawful employment practice, unless based upon a bona fide occupational qualification, for an employer to refuse to allow an employee disabled by pregnancy, childbirth, or a related medical condition to take a leave for a reasonable period of time not to exceed four months and thereafter return

to work. The employee is entitled to utilize any accrued vacation leave during this period of time. (Government Code §12945)

- 4) Provides, through the State Disability Insurance (SDI) program, short-term wage replacement benefits to eligible workers (those who have made contributions to the SDI program) who are unable to work due to a non-work-related illness or injury and for a maximum of 52 weeks. SDI benefits can be used for an illness or injury, either physical or mental, which prevents an employee from performing their regular and customary work and includes elective surgery, pregnancy, childbirth, or other medical conditions. (Unemployment Insurance Code §2601-3308)
- 5) Provides, through the Paid Family Leave (PFL) program, a component of SDI, eligible employees up to eight weeks of wage replacement benefits within a 12-month period to workers who need to take time off work to care for a seriously ill child, spouse, parent, grandparent, grandchild, sibling, or domestic partner; to bond with a minor child within one year of the birth or placement of the child in connection with foster care or adoption; or to participate in a qualifying event because of a family member's military deployment. (Unemployment Insurance Code §3301)
- 6) Requires that school districts provide for a leave of absence from duty for a *certificated employee* of the school district who is required to be absent from duties because of pregnancy, miscarriage, childbirth, and recovery therefrom. Requires that the length of the leave of absence be determined by the employee and the employee's physician. (Education Code §44965)
- 7) Authorizes a person employed in a school district in a position requiring certification qualifications to use their sick leave for purposes of parental leave for a period of up to 12 workweeks. Provides that when a person has exhausted all available sick leave and continues to be absent, the amount deducted from the salary due to the person for any remaining portion of the 12-workweek period shall not exceed the sum that is actually paid a substitute employee employed to fill their position during the absence, but in no case shall this pay be less than 50 percent of their regular salary for the remaining portion of the 12 weeks for parental leave. (Education Code §44977.5)
- 8) Requires school districts to provide for a leave of absence from duty for *classified employees* who are required to be absent from duties because of pregnancy, childbirth, and convalescence therefrom. Requires that the length of the leave of absence be determined by the employee and the employee's physician. (Education Code §45193)
- 9) Requires a governing board of a community college district (CCD) to provide for leave of absence from duty for any *academic employee* of the district who is required to be absent because of pregnancy, miscarriage, childbirth, and recovery therefrom. The length of the leave of absence, including the date on which the leave shall commence and the date on which the employee shall resume duties, shall be determined by the employee and the employee's physician. (Education Code §87766)
- 10) Authorizes the governing board of any CCD to provide a leave of absence, as it deems appropriate, for any female *classified employee* due to pregnancy or convalescence following childbirth, and may adopt rules and regulations prescribing the manner of proof of pregnancy, the time during pregnancy at which the leave of absence shall be taken, and the

length of time for which the leave of absence shall continue after birth of the child. The board may also provide in the rules and regulations whether leave granted shall be with or without pay and, if with pay, the amount, if any, to be deducted from the salary due the employee for the period in which the absence occurs. (Education Code §88193)

- 11) Authorizes an academic or classified community college employee to use up to 12 weeks of their sick leave each school year for purposes of parental leave, including for the birth of a child, and when the employee has exhausted all available sick leave and continues to be absent due to parental leave, the amount deducted from the salary due them for any of the remaining portion of the 12-week period in which the absence occurs shall not exceed the sum that is actually paid a substitute employee and shall not be less than 50 percent of the academic or classified employees' regular salary. (Education Code § 87780.1 and § 88196.1)

This bill:

Certificated or Classified School District Employees:

- 1) Requires a public school employer to provide for a leave of absence for a certificated or classified employee who is required to be absent from duty because the employee is experiencing or has experienced pregnancy, miscarriage, childbirth, termination of pregnancy, or recovery from those conditions.
- 2) Requires the leave of absence to be with full pay, subject to a maximum of 14 weeks.
- 3) Prohibits a leave of absence taken from being deducted from any other leaves of absence available to the employee pursuant to state or federal regulations or laws.
- 4) Authorizes the paid leave to begin before and continue after childbirth if the employee is actually disabled by pregnancy, childbirth, termination of pregnancy, or related medical conditions.
- 5) Requires a public school to maintain group health coverage for an employee who takes this leave of absence for the duration of the leave at the same level and under the same conditions that coverage would have been provided if the employee had not taken a leave of absence.
- 6) Provides that, except as specified, there are no eligibility requirements, including, but not limited to, minimum hours worked or length of service, before an employee disabled by pregnancy, childbirth, termination of pregnancy, or related medical conditions is eligible for a paid leave of absence under these provisions.
- 7) Specifies that for part-time certificated or classified employees, the amount of paid leave per week, subject to a maximum of 14 weeks, shall be calculated in accordance with the following:
 - a. If the part-time employee works a fixed number of hours per week, the employee shall receive weekly pay for the total number of hours the employee is normally scheduled to work for the public school employer.

- b. If the part-time employee does not work a fixed number of hours per week, the employee shall receive weekly pay in an amount equaling the employee's average weekly pay during the six-month period immediately preceding the date that the employee began their paid leave.
 - i. If the part-time employee has been employed for less than six months, the employee shall receive weekly pay in an amount equaling the employee's average weekly pay during the entire period of that employment preceding the date that the employee began their paid leave.
- 8) Specifies that nothing shall diminish the obligation of a public school employer to comply with any collective bargaining agreement entered into by a public school employer and an exclusive bargaining representative, as specified, that provides greater disability or parental leave rights to employees than the rights established under these provisions.

Academic or Classified Community College District Employees:

- 9) Requires the governing board of a community college district to provide for a leave of absence from duty for an academic or classified employee of the community college district who is required to be absent from duty because the employee is experiencing or has experienced pregnancy, miscarriage, childbirth, termination of pregnancy, or recovery from those conditions.
- 10) Requires the leave of absence to be with full pay, subject to a maximum of 14 weeks.
- 11) Prohibits a leave of absence from being deducted from any other leaves of absence available to the employee pursuant to state or federal regulations or laws.
- 12) Authorizes the paid leave to begin before and continue after childbirth if the employee is actually disabled by pregnancy, childbirth, termination of pregnancy, or related medical conditions.
- 13) Requires a community college district to maintain group health coverage for an employee who takes this leave of absence for the duration of the leave at the same level and under the same conditions that coverage would have been provided if the employee had not taken a leave of absence.
- 14) Provides that, except as specified, there are no eligibility requirements, including, but not limited to, minimum hours worked or length of service, before an employee disabled by pregnancy, childbirth, termination of pregnancy, or related medical conditions is eligible for a paid leave of absence under these provisions.
- 15) Specifies that for part-time academic or classified employees, the amount of paid leave per week, subject to a maximum of 14 weeks, shall be calculated in accordance with the following:
 - a. If the part-time employee works a fixed number of hours per week, the employee shall receive weekly pay for the total number of hours the employee is normally scheduled to work for the community college district.
 - b. If the part-time employee does not work a fixed number of hours per week, the employee shall receive weekly pay in an amount equaling the employee's average weekly pay

during the six-month period immediately preceding the date that the employee began their paid leave.

- i. If the part-time employee has been employed for less than six months, the employee shall receive weekly pay in an amount equaling the employee's average weekly pay during the entire period of that employment preceding the date that the employee began their paid leave.

- 16) Specifies that nothing shall diminish the obligation of a community college district to comply with any collective bargaining agreement entered into by a community college district and an exclusive bargaining representative, as specified, that provides greater disability or parental leave rights to employees than the rights established under these provisions.

COMMENTS

1. Background:

Parental leave is proven to benefit families and communities by improving long-term health outcomes for mothers and children, decreasing stress for caregivers and new parents, encouraging equitable co-parenting, and reducing income volatility. Studies have found that longer paid maternity leave was associated with, among other things: 1) lower rates of postpartum depression and lower rates of depression later in life; 2) for mothers who chose to breastfeed, higher rates of breastfeeding that continued for twice as long; 3) a lower likelihood of the mother or child returning to the hospital with medical complications in the first year; and 4) babies were more likely to have well-child visits and timely vaccinations.¹ Additionally, women who take paid leave are more likely to return to work and to see a wage increase and less likely to rely on public assistance and food stamps.²

A 2010 study by the International Labour Organization of the United Nations found that out of 167 countries studied, 97 percent provide paid maternity leave for women. Only four out of the 167 countries studied did not: Lesotho, Papua New Guinea, Swaziland, and the United States.³

Whether or not that leave is paid or has some wage replacement component is often the deciding factor on whether or not, and for how long, an employee is likely to take time to care for themselves and their families while financially providing for them. California has several medical leaves under which an employee may be able to take leave from work to care for their illness, that of specified family members or for the bonding with a new child. Below is a summary of some and their eligibility requirements, with the caveat that not all these programs may be available to all employees. Eligibility may depend on the employers covered by each program.

¹ Waldron, Patricia citing Stanford psychiatrist Amy Alexander, "*The case for national paid maternity leave*," Women's Health, May 18, 2020. <https://med.stanford.edu/news/insights/2020/05/the-case-for-national-paid-maternity-leave.html>

² Ibid.

³ International Labour Organization, "Maternity and paternity at work: Law and practice across the world." https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_242615.pdf

	CA Family Rights Act (CFRA) <i>Job Protected</i>	Paid Family Leave (PFL) <i>No Job Protection</i>	Pregnancy Disability Leave (PDL) <i>Job Protected</i>	Reproductive Loss Leave <i>Job Protected</i>	Family Medical Leave Act (FMLA) <i>Job Protected</i>	AB 65 (This bill)
Employers Covered	Five or more employees	One or more (employee pays, employee gets)	Five or more employees	Public employers of any size/ private employers with five or more employees	50+ employees within 75-mile radius	Public Schools, Community College Districts
Employee Eligibility	Worked 1,250 hours in prior 12 months	Once employee earns \$300 in base period for fund contribution	Immediate as necessary	Worked with the employer at least 30 days	Worked 1,250 in prior 12 months	No minimum hours worked or length of service required
Reason for Leave	Employee serious health condition; seriously ill family member care; bond with newborn or newly placed adopted or foster child	Care for seriously ill family member; bond with a child within 1 year of birth, foster care or adoption placement; qualifying event because of a family member's military deployment	Disability due to pregnancy, childbirth or related medical condition	Miscarriage, stillbirth, failed adoption, failed surrogacy, or unsuccessful assisted reproduction	Bond with a child w/in 1 year of birth, adoption or foster care placement OR due to serious pregnancy-related health condition	Pregnancy, miscarriage, childbirth, termination of pregnancy, or recovery from those conditions
Length of Leave	12 weeks in 12-month period	8 weeks in 12-month period	Up to 4 months	5 days, nonconsecutive, per loss event (max of 20 days w/in 12 months)	Up to 12 weeks	Determined by employee and physician
Paid or Unpaid	Unpaid, may run concurrent with other paid leave	Partial wage replacement (70-90%, depending on income)	Unpaid, may run concurrent with SDI for partial wage replacement	Unpaid, employee can use vacation, personal leave, paid sick leave, or comp time	Unpaid, employee can use vacation, paid sick time	Fully paid, up to a maximum of 14 weeks
Continued Health Coverage	Yes	No	Yes	Unspecified	Yes	Yes

Points of note regarding these leaves:

- When both state and federal laws apply, the employee receives the benefit of the more protective law.
- PFL provides benefit payments but not job protection; however, the employee's job may be protected if taken concurrently with FMLA or CFRA.
- There is no pay associated with the FMLA and CFRA, other than what the employee has earned in other accrued leaves that may apply.

- Employees may only be eligible for the PFL program if they are covered by the SDI program. SDI is employee funded. If an employee does not pay into the SDI program, they are not eligible to receive disability benefits PFL.
- Nonindustrial Disability Insurance (NDI) program may cover certain state employees and provides a partial wage replacement benefit to eligible employees when they lose wages due to a non-work-related disability.

Existing leave options for public school and community college district employees:

The pregnancy-leave compensation provided to public school and community college employees (beyond differential pay as required by law) likely varies considerably based on local bargaining agreements and participation in disability insurance programs. While standard SDI contributions are not mandatory for public employees, some bargaining units and districts may negotiate elective participation. It is unclear how many community college or school districts participate in SDI or other privately contracted disability insurance, and some do not provide any such benefit. Coverage for such disability programs is strictly governed by local collective bargaining agreements.

This bill:

As noted above, existing law provides several overlapping forms of job-protected leave and wage replacement for pregnancy-related absences. Unfortunately, not all employees have access to these programs and in the education sector, such leaves are negotiated as part of the collective bargaining process. This bill would create a new standalone entitlement of up to 14 weeks of fully paid leave that would not be charged against any existing leave balances and would operate in addition to other available leave benefits for certificated, classified, and academic employees of school districts, charter schools, county offices of education, and community college districts.

Similar prior measures and inclusion in this year's budget:

The Legislature has considered similar proposals in recent years. Most recently through AB 2901 (Aguiar-Curry) of 2024, which was substantially similar to this bill and also proposed 14 weeks of paid leave but was ultimately held on the Senate Floor.

As noted by the Senate Education Committee analysis of this bill:

“The policy contained in this bill is largely aligned with a proposal included in the Governor’s 2026-27 May Revision. The Governor proposes requiring public school employers and CCDs to provide up to 14 weeks of paid pregnancy disability leave to all employees and proposes funding the associated costs through the discretionary Cost-of-Living Adjustment (COLA) provided to local educational agencies (LEAs). Both the Senate and Assembly adopted the proposal as part of their budget actions, while utilizing placeholder trailer bill language to preserve ongoing negotiations regarding the appropriate funding mechanism. As a result, the central policy question raised by this bill is already being considered through the budget process. Committee staff notes that budget trailer legislation may ultimately establish a statewide framework for paid pregnancy disability leave before this bill completes the legislative process. Accordingly, AB 65 is best viewed as advancing a policy proposal that is currently the subject of active budget negotiations between the Administration and the Legislature.”

2. Need for this bill?

According to the author:

“AB 65 would require all public schools and community colleges to provide up to 14 weeks of fully paid pregnancy disability leave, ending the practice of forcing educators to deplete their sick leave and absorb pay cuts during pregnancy. The current system is inadequate and disproportionately impacts female educators, creating significant financial and health-related hardships. Without a legal mandate, school districts are not required to provide paid pregnancy leave, leaving educators to navigate a system where they must use up their sick leave—often leaving them financially vulnerable when they need it most. This lack of consistent support for pregnancy-related disabilities also contributes to gender inequality in the workforce, as women are more likely to bear the burden of depleted leave balances and lost retirement benefits compared to their male counterparts. Additionally, the current policy inadvertently encourages sick employees to continue working, potentially jeopardizing their health and the health of their students and colleagues.

By passing legislation to ensure paid pregnancy disability leave, the state can create a uniform standard across all public schools and community colleges, ensuring that educators are financially supported during pregnancy and recovery, and that they do not face discrimination for choosing to have children. This will promote gender equity, protect the health and well-being of educators and their families, and help retain qualified teachers by offering a benefit that supports work-life balance. Without legislative action, these disparities are likely to persist, continuing to harm women and the education system as a whole.”

3. Proponent Arguments:

According to a coalition letter with various employee representative organizations, including several of the sponsors:

“In California – the fifth largest economy worldwide – one of the largest and predominantly female workforces in the state are excluded from pregnancy disability leave – a fundamental standard for reproductive rights in most countries across the globe.

This bill will finally end the discriminatory practice of giving employees who are pregnant no choice but to deplete their sick leave. When an educator is forced to use up their sick leave for pregnancy leave, they return to the classroom with no leave to care for sick family members or themselves. The current policy encourages sick educators to come to school endangering other educators, parents, and students. When an educator retires, CalSTRS converts unused sick leave to additional service credit. But school employees who have exhausted their sick leave due to pregnancy, miscarriage, childbirth, termination of pregnancy or recovery from those conditions are penalized.

Establishing pregnancy disability leave will help retain educators during a historic educator shortage. By requiring school and community college districts to provide fully paid pregnancy disability leave, AB 65 will help employees working in public schools and community colleges to take necessary time off without sacrificing their financial security, the health of their families or the health of their school communities.”

4. Opponent Arguments:

This bill was first introduced in December 2024. When it was going through the legislative process in 2025, there was opposition from various statewide educational organizations and local educational agencies. The bill became a two-year bill once it reached the Senate Education Committee. This year, the proposal has been included in the Governor's 2026-27 Budget. The organizations previously opposed to the measure in 2025 have submitted a letter this year of "support if amended" seeking amendments that address the funding source.

5. Double Referral:

This bill was double referred and prior to our hearing was heard and passed by the Senate Education Committee.

6. Prior/Related Legislation:

SB 1024 (Menjivar, 2026) would grant active firefighting members of specified fire departments, 26 weeks of fully paid postpartum and recovery leave for birth, stillbirth or miscarriage of a child and requires that, upon return, the firefighter be restored to their prior position, as provided. *SB 1024 is pending before the Assembly Appropriations Committee.*

AB 2901 (Aguiar-Curry, 2024) was substantially similar to this bill and would have required school and community college districts to provide up to 14 weeks of paid leave for employees experiencing pregnancy, miscarriage, childbirth, termination of pregnancy, or recovery from those conditions. *AB 2901 died on the Senate inactive file.*

AB 1123 (Addis, Cervantes, 2023) would have required the California State University (CSU) to provide employees with a paid leave of absence of one semester of an academic year, as specified, following the birth of a child of the employee or the placement of a child with an employee in connection with adoption or foster care placement. *AB 1123 was vetoed by Governor Newsom.*

AB 500 (Gonzalez, 2019) would have required that school districts, charter schools, and community colleges provide at least six weeks of full pay for pregnancy-related leaves of absence taken by certificated, academic, and classified employees. *AB 500 was vetoed by Governor Newsom.*

SUPPORT

California Teachers Association (Co-Sponsor)
California School Employees Association (Co-Sponsor)
California State Treasurer Fiona Ma (Co-Sponsor)
CFT – A Union of Educators & Classified Professionals (Co-Sponsor)
Faculty Association of California Community Colleges (Co-Sponsor)
Alhambra Teachers Association
American College of Obstetricians & Gynecologists - District IX
American Federation of State, County and Municipal Employees California
Anaheim Elementary Education Association
Anaheim Secondary Teachers Association

Asian Americans Advancing Justice Southern California
Asian Law Alliance
Asociación De Maestros Unidos
Associated Pomona Teachers
Association of Carmel Teachers
Association of Colton Educators
BreastfeedLA
Buellton Education Association
California Breastfeeding Coalition
California Child Care Resource and Referral Network
California Commission on the Status of Women and Girls
California Community College Independents
California Domestic Workers Coalition
California Employment Lawyers Association
California Faculty Association
California Federation Business Professional Women
California Federation of Labor Unions
California Immigrant Policy Center
California Latinas for Reproductive Justice
California Legislative Women's Caucus
California Pan-Ethnic Health Network
California Retired Teachers Association
California State Teachers' Retirement System
California Virtual Educators United
California WIC Association
California Women's Law Center
California Work & Family Coalition
Campbell Elementary Teachers Association
Caring Across Generations
Center for Community Action and Environmental Justice
Center for Workers' Rights
Child Care Law Center
Children Now
Citizens for Choice
City of Glendale
Corona-Norco Teachers Association
Covina Unified Education Association
CTA/NEA – Retired
Early Edge California
El Monte Elementary Teachers Association
Electric Universe
Elk Grove Education Association
Equal Rights Advocates
Food Empowerment Project
Fresno Unified School District
Friends Committee on Legislation of California
Fund Her
Grace - End Child Poverty
Hacienda La Puente Teachers Association
Health Access California

Health in Partnership
Human Impact Partners
Insure the Uninsured Project
Jewish Center for Justice
Junior League of Palo Alto - Mid Peninsula
Junior Leagues of California State Public Affairs Committee
LA Alliance for a New Economy
LA Best Babies Network
Lammersville Teachers Association
Legal Aid At Work
Livermore Education Association
Marin Child Care Council
Merced College Faculty Association
Moreno Valley Educators Association
National Council for Jewish Women LA
National Partnership for Women & Families
National Women's Political Caucus of California
Natomas Teachers' Association
NEA-Jurupa
Nevada Joint Union High School Teachers Association
Nourishing Justly
Oak Grove Educators Association
Oakland Unified School District
Orange County Equality Coalition
Our Family Coalition
Oxnard Educators Association
Parent Voices California
Partnership for Los Angeles Schools
Poder Latinx
Portola Valley Teachers Association
Public Counsel
Redlands Teachers Association
Rocklin Teachers Professional Association
Roseville Teachers Association
Sacramento City Teachers Association
San Benito Joint Union High School District Teachers Association
San Diego County Breastfeeding Coalition
San Jose Teachers Association
Santa Maria Elementary Education Association
Santa Monica-Malibu Classroom Teachers Association
Santa Rosa Teachers Association
SEIU California
Special Educators of Amador County
Tahoe Truckee Education Association
Teach Plus California
Teachers Association of Long Beach
Temecula Valley Educators Association
Tustin Educators Association
Twin Rivers United Educators
UAW Region 6

UFCW - Western States Council
United Teachers of Richmond
Universidad Popular
Vacaville Teachers Association
Walnut Creek Teachers Association
Walnut Valley Educators Association
Women's Foundation California
Woodland Education Association
Worksafe

OPPOSITION

None received

-- END --

SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	AB 1534	Hearing Date:	July 1, 2026
Author:	Irwin		
Version:	June 15, 2026		
Urgency:	No	Fiscal:	Yes
Consultant:	Jazmin Marroquin		

SUBJECT: Federal Workforce Pell Grant program: local workforce development boards:
participant training requirement

KEY ISSUE

This bill establishes state consumer protection standards for public postsecondary institutions seeking to participate in the federal Workforce Pell Grant program for short-term workforce training programs, as specified. This bill also modifies the Workforce Innovation and Opportunity Act (WIOA) requirements by requiring local workforce development boards (LWDBs) to ensure that at least 50% of participants receive workforce training services beginning in 2028.

ANALYSIS

Existing federal law:

- 1) Establishes the federal Pell Grant to provide aid to students who demonstrate financial need. The Pell Grant award can be used for tuition and fees, books, and supplies, transportation, and living expenses for the equivalent of up to six years of full-time enrollment. The maximum Pell Grant for the 2025-26 academic year (which covers the period from July 1, 2025 – June 30, 2026) is \$7,395. The minimum Pell Grant award for the same time frame is \$740. (20 USC §1070)
- 2) Establishes the federal Workforce Pell Grant program beginning July 1, 2026, to provide federal Pell Grant funding for eligible students enrolled in short-term workforce training programs aligned with high-skill, high-wage, or in-demand industries. (20 USC §1070a (k), Public Law 119-21, 139 STAT. 350)
- 3) Establishes the Workforce Innovation and Opportunity Act (WIOA) to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. (29 USC §3101-3361)

Existing state law:

- 1) Establishes the Donahoe Higher Education Act, setting forth the mission of the University of California (UC), the California State University (CSU), and the California Community Colleges (CCC); and, defines “independent institutions of higher education” as nonpublic higher education institutions that grant undergraduate degrees, graduate degrees, or both, and that are formed as nonprofit corporations in California and are accredited by an agency recognized by the United States Department of Education (USDE). Specifies that for

purposes of any code or statute, a national or regional accrediting agency recognized by the USDE as of January 1, 2025, shall retain that recognition until July 1, 2029, provided that the accrediting agency continues to operate in substantially the same manner as it did on January 1, 2025. (Education Code §66010 et seq.)

- 2) Establishes California Student Aid Commission (CSAC) as the state agency charged with administering state financial aid programs to qualifying students enrolled in qualifying institutions of higher education throughout the State. Existing law requires CSAC to prescribe the use of standardized student financial aid applications for California. (EC § 69433 and § 69510, et seq.)
- 3) Establishes the Employment Development Department (EDD) within the Labor and Workforce Development Agency (LWDA) and makes it responsible for administering the state's unemployment insurance, disability insurance, and workforce development programs. (Unemployment Insurance Code § 301 et seq.)
- 4) Creates the California Workforce Innovation and Opportunity Act to make programs and services available to individuals with employment barriers. (Unemployment Insurance Code §14000 et seq.)
- 5) Establishes the California Workforce Development Board (CWDB), under the purview of the LWDA, as the body responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce system, including its alignment to the needs of the economy and the workforce. (Unemployment Insurance Code §14010 et seq.)
- 6) Establishes the Consolidated Work Program Fund in the State Treasury, for the receipt of all moneys deposited pursuant to the federal WIOA, and requires moneys in the fund to be made available, upon appropriation by the Legislature, to EDD for expenditure consistent with the purposes of the federal WIOA and the State Plan. (Unemployment Insurance Code §14004.5 et seq.)
- 7) Requires the establishment of a local workforce development board (LWDB) in each local workforce development area of the state to, among other things, plan and oversee the workforce investment system. (Unemployment Insurance Code §§14200-14211)
- 8) Requires LWDBs to spend an amount equal to at least *30% of funds* available under Title I of the federal WIOA provided to LWDBs for adults and dislocated workers on workforce training programs. Provides that this minimum may be met either by spending 30% of those base formula funds on training or by combining a portion of those base formula funds with leveraged funds, as specified. Prescribes the training services that count toward the minimum percentage of funds, as specified. (Unemployment Insurance Code §14211)
 - a) Requires EDD to, at the end of each program year, to calculate for each LWDB whether the LWDB met the *expenditure requirements* of this section, as specified. Requires EDD to report annually to the Governor, the Legislature, and CWDB regarding the training and supportive services *expenditures* made by LWDBs pursuant to the expenditure requirements of this section.
 - b) Requires a local workforce development area that does not meet the specified requirements to submit a corrective action plan to EDD that provides reasons for not

meeting the requirements and describes actions taken to address the identified *expenditure* deficiencies. A local workforce development area must provide a corrective action plan to EDD pursuant to this section within 90 days of receiving the calculations, as specified.

This bill:

- 1) Prohibits a public postsecondary educational institution from disbursing Workforce Pell Grant program funds to students enrolled in the institution's short-term programs, and from advertising, marketing, or informing students about the availability of those funds, unless the institution has met both of the following:
 - a) Obtained authorization from the California Student Aid Commission (CSAC), as specified.
 - b) Obtained approvals and met all requirements set forth by the USDE.
- 2) Prohibits CSAC from authorizing a public postsecondary educational institution to receive Workforce Pell Grant program funds for a short-term program if the institution does any of the following:
 - a) Partners, contracts, or affiliates with an entity, including an institution or organization, that is not accredited by an accrediting agency recognized and approved by the USDE to provide, or offer to provide, instruction for the short-term program, unless one of the following applies:
 - i) The institution partners, contracts, or affiliates with the entity for the purpose of offering instruction for a registered apprenticeship program.
 - ii) The short-term program has a contract education agreement with a participating community college and a provider, as specified.
 - iii) The entity and institution meet all of the following requirements:
 - (1) Clearly and prominently discloses that the entity is a company that is separate from the institution and describes all of the services that the entity is contracted to provide for the institution, as specified.
 - (2) The entity is not paid using incentive compensation or tuition sharing with the institution.
 - (3) The entity does not participate in, or exercise authority over, the institution's governance or decisionmaking processes on factors, including, but not limited to, the design or development of course curriculum or instruction, setting of short-term program admission standards, determining enrollment targets, or creation of new short-term programs.
 - b) Offers or affiliates with a company that offers financing for the short-term program using a private educational loan, including an income share agreement or a similar type of credit product, other than loans or payment plans that charge no interest to a student.
 - c) Charges tuition and fees to a student for the short-term program that is more than the maximum amount of Workforce Pell Grant program funds available for a student in the short-term program, as determined by the Secretary of the USDE, for the period of time that the program is offered.

- i) This prohibition does not apply to any portion of tuition and fees that exceeds the maximum Workforce Pell Grant program amount if that excess amount is paid on behalf of the student by an employer, a labor-management partnership, or another third party, provided that the third party is not a lender or an offeror of a private education loan or other credit product for which the student bears any responsibility for repayment.
- 3) Authorizes CSAC to use the California Priority Jobs Credentials List to determine whether a short-term program satisfies the following requirements under the Workforce Pell Grant program:
- a) Provides an education aligned with the requirements of high-skill, high-wage, or in-demand industry sectors or occupations.
 - b) Meets the hiring requirements of employers in high-skill, high-wage, or in-demand sectors or occupations.
 - c) Leads to a recognized postsecondary credential that is stackable and portable across more than one employer or prepares students enrolled in the short-term program for employment in an occupation for which there is only one recognized postsecondary credential and that awards students with the credential upon completion of the short-term program.
- 4) Authorizes LWDA to enter into a data-sharing agreement with the Office of Cradle-to-Career Data to the extent it is necessary to establish and maintain the California Priority Jobs Credential List.
- 5) Modifies the following provisions to the WIOA Adult and Dislocated Worker program, effective July 1, 2028:
- a) Requires LWDBs, instead of spending a minimum of 30% of specified *funds* for adults and dislocated workers, to ensure that at least 50% of *participants* enrolled in the adult and dislocated worker program receive workforce training services.
 - i) Prescribes the training services that count toward the participant training requirements, as specified.
 - b) Requires EDD at the end of each program year to calculate for each LWDB whether the LWDB met the *participant training* requirement and annually report regarding the *aggregate number of participants enrolled* in adult and dislocated worker programs and the *aggregate percentage of those enrolled participants* receiving training services.
 - c) Requires a local workforce development area that does not meet the participant training requirement to submit a corrective action plan to EDD that provides reasons for not meeting the *participant training* requirement and describes actions taken to address the identified *participant training* deficiencies.
- 6) Makes specified conforming and technical changes.
- 7) Finds and declares the following:

- a) The federal Workforce Pell Grant program (Public Law 119-21) allows funding to be used for certain short-term workforce training programs that demonstrate positive employment and earnings outcomes.
 - b) In implementing the federal Workforce Pell Grant program, states may impose standards to protect students from financially risky, low-quality, or fraudulent short-term programs and to protect students from incurring debt they cannot repay.
 - c) Title I of the federal Workforce Innovation and Opportunity Act (WIOA) of 2014 (Public Law 113-128) provides another funding stream for workforce training services for adults and dislocated workers.
 - d) A report commissioned by the California Workforce Development Board in 2022 found that California's WIOA-enrolled participants who received targeted training services were significantly more likely to find employment and earn higher wages compared to those who only received basic career services.
 - e) Encouraging more participants to receive training, rather than spending more dollars on training, will increase access to high-quality, no-cost or low-cost workforce training and education offered through community colleges and adult schools, and deepen collaborations between local workforce development boards and community colleges.
 - f) A participant training requirement will leverage federal Workforce Pell Grant program funds as a new funding stream to support training that would allow more WIOA dollars to be spent on supports and services to increase participants' completion and job placement.
- 8) Declares that it is the intent of the Legislature to expand access to high-quality workforce training opportunities by defining standards for short-term programs to be eligible for the federal Workforce Pell Grant program and requiring an increase in participants that receive workforce training services under Title I of WIOA.

COMMENTS

1. Background:

[NOTE: This analysis is limited to the bill's provisions modifying the Workforce Innovation and Opportunity Act (WIOA) requirements. Please see the Senate Education Committee analysis for detailed background on CSAC, public postsecondary educational institutions, and the Workforce Pell Grant program.]

Federal Workforce Pell program

According to the Senate Education Committee, "Congress enacted H.R. 1, in the Summer of 2025. Among the many provisions contained in the measure is a section that expands Pell Grant eligibility to students enrolled in short-term, career-focused training programs that meet defined quality requirements and lead to industry-recognized credentials. The workforce training programs tend to be between 8 and 14 weeks in length and are intended to provide rapid pathways to employment in high-demand industries. This expansion is commonly referred to as 'Short-Term Pell' or 'Workforce Pell.'

According to the National Governors Association and America Achieves, in their Workforce Pell: An Overview for Governors March 2026 policy memo, 'the Congressional Budget Office estimates that over the next ten years, the federal government will invest approximately \$1.5 billion in Workforce Pell Grants of about \$2,200 per recipient, although

awards will vary as they are prorated based on program length and student need. However, research on such short-term programs demonstrates that while some programs deliver strong labor market returns, many do not. This new funding stream represents an opportunity for Governors to drive resources to the strongest programs to address critical workforce development needs and better align postsecondary training to high-skill, high-wage, and in-demand jobs through their implementation decisions.’

The Workforce Pell goes into effect on July 1, 2026, the USDE proposed regulations in March 2026, and is expected to finalize regulations later this Spring. Presently, the draft regulations leave Governors with considerable leeway in the details of implementation. [...]

Trailer bill language to the 2026-27 Budget Act includes a proposal related to implementation of the federal Workforce Pell Grant program. The proposal would establish a process for CSAC, in consultation with CWDB, to determine whether short-term programs offered by UC, CSU, and CCCs meet federal and state eligibility requirements for participation in Workforce Pell. The proposal would also require participating institutions to report program and student outcome data and would establish various oversight and reporting requirements.

This bill attempts to address the same federal Workforce Pell Grant programs but would establish additional requirements related to institutional participation, student protections, and certain contractual and financial arrangements. [...]. With regard to CSAC responsibilities, this bill would not create a separate approval process but instead would establish additional standards and conditions that CSAC would be required to apply when making authorization determinations.”

Workforce development

The California Workforce Development Board (CWDB) is the state entity tasked with assisting the Governor in the development, oversight, and continuous improvement of California’s workforce investment system. Among other things, the CWDB is tasked with developing, implementing, and modifying California’s Unified Strategic State Plan (State Plan) to serve as the comprehensive framework and coordinated plan for the aligned investment of all federal and state workforce training and employment services funding streams and programs. CWDB works closely with local workforce development boards (LWDBs) to ensure statewide workforce efforts align with regional priorities and community needs.

The State has 45 LWDBs, each with their unique local context. Members of private sector business, organized labor, community-based organizations, local government agencies, and local education agencies comprise a LWDB’s membership. EDD, in partnership with LWDBs, oversee America’s Job Center of California (AJCC). AJCC is a one-stop shop for no-cost job and training services that helps connect employers with job openings to people who are looking for work. The AJCC is a network of local and state organizations, as well as private and public groups, working together to provide these services at no cost. Adults and displaced workers receive an initial assessment, job search and placement assistance, and career counseling at LWDBs.

WIOA Adult and Dislocated Worker program

In 2014, the federal WIOA was signed into law, which was designed to help job seekers access employment, education, training, and support services to succeed in the labor market

and to match employers with the skilled workers they need to compete in the global economy. WIOA-funded services include job search assistance, workforce preparation, career development services, and training services including both classroom and work-based learning opportunities. In addition to supporting job seekers, these programs help businesses find the skilled workers they need by referring qualified job seekers and filling job orders, and through tailored work-based learning strategies.

According to the Department of Labor, workforce services for eligible adults are available through one of the six core programs authorized by WIOA. For instance, the WIOA Title I Adult and Dislocated Worker program funding streams pay for career services and training services. The Adult program serves individuals and helps employers meet their workforce needs. It enables workers to obtain good jobs by providing them with job search assistance and training opportunities. The Dislocated Worker program is designed to help workers get back to work as quickly as possible and overcome barriers to employment. Current law requires LWDBs to spend at least 30% of WIOA Adult and Dislocated Worker program funds on training services.

This bill

This bill, AB 1534, changes the requirement in existing law that at least 30% of WIOA Adult and Dislocated Worker program *funds be spent* on training services to a requirement that at least 50% of *enrolled participants* in WIOA Adult and Dislocated Worker programs receive training services, effective on July 1, 2028. According to the author, the current law requires 30% of funds to be spent on training, which has incentivized local boards to put fewer people into higher-cost trainings. Changing the rule to a requirement that 50% of WIOA participants receive training services is aimed to ensure that more individuals get training.

This bill still requires EDD to annually report whether the LWDBs met the participant training requirement and requires local workforce development areas that don't meet the participant training requirement to submit a corrective action plan to EDD that provides reasons for not meeting the requirements and describes actions taken to address this.

The author may wish to consider adding additional data collection and reporting requirements, at a minimum, to ensure that WIOA expenditures are properly spent and accounted for, guaranteeing people receive both quality training and supportive services while enrolled in training.

2. Need for this bill?

According to the author, “Under the 2025 federal reconciliation bill, enacted as the One Big Beautiful Bill Act (OBBBA), “Workforce Pell Grants” were created to provide financial aid to students seeking to enroll in short-term workforce training programs. To satisfy OBBBA’s requirement for state governors to determine institutions seeking Workforce Pell meet certain criteria¹, legislation is required to align state policy with the implementation needs in OBBBA.

Currently proposed budget trailer bill language borrows much of the language from AB 1534 to set up an implementation process that meets minimum federal requirements set out in HR

¹ Sec. 83002 of OBBBA details the program: <https://www.congress.gov/bill/119th-congress/house-bill/1/text>

1 and rulemaking². However, states have the authority to go beyond minimum requirements to provide additional guardrails intended to safeguard students from bad actors.

AB 1534 includes additional safeguards for students while the proposed trailer bill will cover the state's basic implementation structure. Safeguards will:

- Ban disbursing or marketing the availability of WF Pell funds unless the institution has received state and federal approvals.
- Prohibit WF Pell approval if an institution offers financing using private loans, including income share agreements, unless they charge 0% interest.
- Prohibit WF Pell approval if the program, when partnering with an unaccredited entity to provide instruction up to the allowable limit set out in federal rules, does not provide clear disclosures, does not use incentive compensation and does not exercise authority over program design and administration.
- Limit the cost of programs to no more than the maximum amount of a grant based on length of program, with an exception for excess costs that are covered by an employer or labor-management partnership, or similar third-party.

Additionally, on workforce development:

- Allow the California Student Aid Commission (CSAC) — the state entity authorized to approve programs in the proposed trailer bill — to use the California Priority Jobs Credential List to determine if a program meets several federal criteria required of all programs
- Changes the requirement in existing law that at least 30% of WIOA Adult and Dislocated Worker program funds be spent on training services to a requirement that at least 50% of enrolled participants in WIOA Adult and Dislocated Worker programs receive training services, effective 2028.”

3. Proponent Arguments:

According to the sponsors, The Institute for College Access and Success (TICAS), “As California develops a framework to approve shorter-term workforce training programs under the federal Workforce Pell Grant via the proposed Trailer Bill Language, AB 1534 (Irwin) provides important complementary safeguards for students and details on how California will determine which programs will qualify under the expansion. By establishing clear accountability standards and connections to increase access to education and training for WIOA participants, this bill helps ensure that expanded aid eligibility supports students going into affordable and high-quality programs that deliver value.”

4. Opponent Arguments:

According to 2U, “Specifically, as currently drafted, AB 1534 will severely limit California institutions’ abilities with private sector partners to develop, launch, and offer Workforce Pell (WFP) programs. And, without a sizable number of programs, AB 1534 will limit Californian’s options to benefit from WFP. Furthermore, AB 1534 establishes a concerning precedent limiting public-private partnerships, as well expanding the state’s regulatory authority over third parties supporting California institutes of higher education.”

² Final federal rules: <https://www.federalregister.gov/documents/2026/05/19/2026-10013/accountability-in-higher-education-and-access-through-demand-driven-workforce-pell-pell-grant>

5. Double Referral:

This bill has been double referred and was previously heard and passed by the Senate Education Committee.

6. Prior Legislation:

SB 135 (Committee on Budget and Fiscal Review, 2026) requires CSAC to determine whether a short-term program offered by postsecondary educational institution, as defined, meets specified requirements in order to receive federal Workforce Pell Grant program funds for students enrolled in the short-term program, as specified. Among other things, the bill requires CSAC to consult with CDWB and LWDA on the process for making those determinations and the short-term programs that the commission is proposing to approve, as specified. The bill would require EDD to provide a list of high-skill, high-wage, and in-demand industry sectors and occupations to LWDA, as specified. The bill would require the LWDA, after presenting the list to CWDB, to provide the list to CSAC for their consideration in determining whether to approve a short-term program. *This bill is pending in the Assembly Budget Committee.*

SUPPORT

The Institute for College Access & Success (Sponsor)
Blu Educational Foundation
California Competes: Higher Education for a Strong Economy
California Edge Coalition
California Opportunity Youth Network
Campaign for College Opportunity
Children Now
County of Kern
EdTrust-West
JobTrain
John Burton Advocates for Youth
Prismatic Research & Strategy
Protect Borrowers (formerly Student Borrower Protection Center)
Public Advocates
Rancho Santiago Community College District
San Bernardino Community College District
San Jose-Evergreen Community College District
Southern California College Attainment Network
The Century Foundation
Tipping Point Community
Tri County Chamber Alliance
UAspire
Unite-LA
Young Invincibles

OPPOSITION

2u, INC.

Allcampus Pb LLC
Coast Community College District

-- END --

SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	AB 1707	Hearing Date:	July 1, 2026
Author:	Davies		
Version:	February 4, 2026		
Urgency:	No	Fiscal:	Yes
Consultant:	Emma Bruce		

SUBJECT: Electricians: certification application, examination, and renewal

KEY ISSUE

This bill modernizes the Division of Labor Standards Enforcement's (DLSE) certification process for electricians. Specifically, this bill requires DLSE to accept online applications for certification and renewal and authorizes an individual who fails the electrician certification examination to reregister and retake the examination again immediately at the next available appointment.

ANALYSIS

Existing law:

- 1) Establishes within the Department of Industrial Relations various entities including the Division of Labor Standards Enforcement (DLSE) under the direction of the Labor Commissioner (LC) and empowers the LC to ensure a just day's pay in every workplace and to promote justice through robust enforcement of labor laws. (Labor Code §79-107)
- 2) Requires DLSE to maintain minimum standards for the competency and training of electricians through a system of testing and certification. (Labor Code §108)
- 3) Requires DLSE to maintain separate certifications for general electrician, fire/life safety technician, residential electrician, voice data video technician, and nonresidential lighting technician. (Labor Code §108.2(c))
- 4) Requires DLSE to maintain an electrical certification curriculum committee comprised of representatives of the State Department of Education, the California Community Colleges, and the division to, among other things, establish written educational curriculum standards for enrollees in training programs. (Labor Code §108)
- 5) Requires individuals who perform work as electricians to become certified pursuant to 2) above. (Labor Code §108.2(a))
- 6) Provides that certification is required only for those persons who perform work as electricians for contractors licensed as class C-10 electrical contractors under the Contractors State License Board (CSLB) Rules and Regulations. (Labor Code §108.2(b)(1))
- 7) Requires individuals desiring to be certified to submit to the DLSE an application for certification and examination that includes an employment history report from the Social Security Administration. (Labor Code §108.2(b)(4))

- 8) Defines “electricians” as all persons who engage in the connection of electrical devices for entities classified as electrical contractors in the CSLB Rules and Regulations. (Labor Code §108(c))

This bill:

- 1) Requires DLSE to accept electronic applications for certification and examination as an electrician.
- 2) Requires DLSE to allow electricians to renew their certifications electronically.
- 3) Authorizes an individual who fails the electrician certification examination to reregister for certification and retake the examination again immediately at the next available appointment with DLSE.

COMMENTS**1. Background:**

Electricians in California are licensed and certified by two main state agencies: DLSE for individual electrician certification, and the Contractors State License Board (CSLB) for the C-10 Electrical Contractor license. The C-10 license is required for a business to bid on jobs totaling \$500 or more.

Individual certification through DLSE is required for those who perform electrical work for C-10 contractors. DLSE maintains separate certifications for general, residential, fire/life/safety, non-residential lighting, and voice-data-video technicians. Certification requires 4,800-8,000 hours of experience depending on the type of certification, plus a passing score on the state exam.

To apply for the exam, an applicant must mail an application and a check or money order for \$175 (\$100 exam fee and \$75 administration fee) to DLSE. Additionally, the application must include a Social Security Administration employment history report and documentation of training hours. Once approved, DLSE sends the applicant an eligibility notice and the applicant can then schedule their exam. There are 22 test sites across the state. The number of questions and the length of the exam vary depending on the type of certification.

Applicants receive their results immediately upon completion of the exam. A minimum score of 70% is required to pass. DLSE mails a certification card to those who pass within two weeks of the exam date. Applicants who fail have a 60-day waiting period before they can retake the exam. They are also required to submit a retest application form and \$100 for each retest.

Electricians must renew their certification every three years by mailing an application and check or money order for \$100 to DLSE. Renewal is contingent upon completion of 32 hours of approved continuing education and proof of at least 2,000 hours of work experience in the industry during that three-year period. Electricians can renew up to one year prior to their certification’s expiration date as long as their 32 hours of continuing education is completed.

Since 2009, the CSLB and DLSE have been responsible for enforcing the electrician certification law. Electricians found working without a valid certification are prohibited from taking the test for a period of seven years.

2. Need for this bill?

According to the author:

“California is currently facing a critical shortage of skilled electricians to meet its ambitious clean energy and housing goals. However, the current certification process is bogged down by three key issues:

Paper-Heavy Processing: Manual mailing of applications and checks leads to significant administrative delays and "lost in the mail" scenarios.

Renewal Lag: Electricians often face gaps in their legal ability to work while waiting for paper renewals to be processed.

Arbitrary Waiting Periods: Currently, applicants who fail the certification exam must wait a mandatory period (often 60 days) before retesting, regardless of their readiness or the availability of testing centers.

AB 1707 aims to modernize California’s electrician certification process by transitioning from archaic paper-based systems to a fully digital platform.”

3. Proponent Arguments:

The National Electrical Contractors Association supports the measure, arguing:

“California relies on a highly skilled and properly certified electrical workforce to safely construct, maintain, and modernize the state’s critical infrastructure, buildings, and energy systems. The electrician certification program administered by the Department of Industrial Relations plays a vital role in ensuring that individuals performing electrical work meet appropriate competency and safety standards.

AB 1707 provides common-sense administrative updates that improve the efficiency and accessibility of the certification process without weakening existing requirements. Specifically, the bill authorizes the Division of Labor Standards Enforcement to accept electronic applications and renewals and allows applicants who do not pass the certification exam to re-register and retake the exam at the next available testing opportunity.

AB 1707 strikes the appropriate balance between maintaining rigorous certification standards and modernizing the processes that support them. It is a targeted, cost-effective reform that improves efficiency, supports workforce development, and enhances the state’s ability to meet its construction and energy goals.”

4. Opponent Arguments:

None received.

5. Prior Legislation:

SB 1362 (Margett, Chapter 716, Statutes of 2008) authorized specified disciplinary action for failure to comply with existing law related to the certification of electricians.

SB 1038 (Committee on Budget and Fiscal Review, Chapter 46, Statutes of 2012) among other things, recast the electrician certification responsibilities of the Division of Apprenticeship Standards under DLSE.

SUPPORT

American Subcontractors Association-California
Associated Builders and Contractors of California
California State Association of Electrical Workers
IBEW Local Union 569
National Electrical Contractors Association
Western Electrical Contractors Association

OPPOSITION

None received

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SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	AB 1818	Hearing Date:	July 1, 2026
Author:	Ortega		
Version:	June 8, 2026		
Urgency:	No	Fiscal:	Yes
Consultant:	Glenn Miles		

SUBJECT: California State University: employer-employee relations: meeting and conferring

KEY ISSUE

This bill would shift the determination from the California State University (CSU) to Public Employment Retirement Board (PERB), of whether the state has funded or acted on changes to law necessary to implement a memorandum of agreement (MOU) between CSU and its employee unions. Under current law, when CSU determines that the state has not made such financing or legislative changes, it must send the MOU back to the bargaining parties for renegotiation.

ANALYSIS

Existing law:

- 1) Establishes the Higher Education Employer-Employee Relations Act (HEERA) which provides a statutory framework to regulate labor relations between CSU (as well as the University of California (UC) and the University of California College of the Law, San Francisco (UC Law SF)) and their respective employees. (Government Code § 3560 et seq.)
- 2) Defines “Higher Education Employer” to mean, among others, the CSU Board of Trustees, or a person acting as its agent. (Government Code §3562 (g))
- 3) Defines “scope of representation” for HEERA’s application to CSU to mean, and be limited to, wages, hours of employment, and other terms and conditions of employment and excludes certain topics, as specified. (Government Code § 3562 (r))
- 4) Establishes the Public Employment Relations Board (PERB) to administer the several collective bargaining statutes covering specified California public employees. PERB functions as a quasi-judicial administrative agency responsible for adjudicating employer-employee relations, resolving disputes, and enforcing the statutory duties and rights of public agency employers and employee organizations (Government Code §3541).
- 5) Requires CSU and its employees’ exclusive representatives to begin negotiations prior to the adoption of the final budget for the ensuing year sufficiently in advance of the adoption date so that there is adequate time for agreement to be reached, or for the resolution of an impasse. (Government Code §3572 (a)).
- 6) Requires CSU to maintain close liaison with the Department of Finance and the Legislature relative to the meeting and conferring on provisions of the written memoranda that have fiscal ramifications. (Government Code §3572 (a)).

- 7) Prohibits any written memoranda reached pursuant to HEERA that require budgetary or curative action by the Legislature or other funding agencies to be effective unless and until that action has been taken. (Government Code §3572 (b)).
- 8) Provides that if the Legislature or the Governor fail to fully fund the parties' agreement or to take the requisite curative action, the entire agreement shall be referred back to the parties for further meeting and conferring unless the parties agree that provisions of the memoranda that are nonbudgetary and do not require funding shall take effect whether or not the funding requests submitted to the Legislature are approved. (Government Code §3572 (b)).

This bill:

- 1) Amends HEERA to specify that the Public Employment Relations Board (PERB) shall make the determination whether the state "fails to fully fund the agreement or take the requisite curative action to make the agreement effective, thereby transferring from CSU to PERB the responsibility for triggering the agreement's implementation or its reopening for negotiations pursuant to existing law.

COMMENTS**1. Need for this bill?**

According to the author:

"The State has honored the five-year budget compact, increasing CSU's annual base funding by five percent each year. CSU is projecting higher revenue from tuition increases and has reserves of reportedly \$8 billion in cash investments with \$2.4 billion in surplus/designated balances and reserves. And yet, CSU – citing funding deferrals in the 2025-26 state budget – used its statutory authority to refuse to pay raises agreed to in 2024 CBAs and reopen negotiations, affecting 16,000 workers.

CSU has engaged in multiple violations of state labor law, including bargaining in bad faith, distributing anti-union mass communications, and refusal to provide contractually agreed-upon raises. Beyond betraying workers, CSU's actions have and continue to create learning disruptions for students as well as delays and stoppages of construction and maintenance."

2. Proponent Arguments:

According to the California State University Employees Union:

"Until 2024, CSU was the only State employer to deny their employees merit salary step increases. CSU's denial of these steps left their employees far behind other similarly situated public employees in California, a reality put forth by the authorized employee representatives and confirmed in a study funded through the state budget and completed by Mercer.

Following decades of dead ends in bargaining, several efforts in the Legislature, and multiple strikes, the CSU finally agreed to implement merit salary steps. Now, CSU is refusing to honor what they agreed to, declining to give modest wage increases and salary steps to hard-working employees. Without legislative action, workers at CSU are at risk of having their

demands agreed to in bargaining and then denied in practice when CSU claims inadequate funds to honor it, regardless of budget reality.

When faculty and staff are not paid a living wage, students are directly harmed as well. Without faculty, the CSU must cease instruction in the classroom. Without non-faculty staff, support services that are critical to student success such as healthcare, academic support, and IT disappear. Our dedicated members love their jobs, but stagnant wages have left many struggling to make ends meet and unable to afford to stay.”

3. Opponent Arguments:

According to the California State University:

“At the heart of AB 1818 is the question of whether the CSU complied with the terms of the 2024 collective bargaining agreement (CBA) negotiated and ratified by Teamsters Local 2010 and the CSU. That agreement included clear provisions tying certain salary increases to the receipt of \$239.7 million in new, unallocated, ongoing state funding in the 2025–26 budget. Those funding conditions were not met. Instead, the enacted state budget included a \$143.8 million reduction to the CSU and provided one-time funding through a loan that must be repaid. As a result, the agreement’s mutually negotiated salary reopening provisions were triggered.

Under the terms of the agreement, Teamsters Local 2010 filed a grievance over the issue. The CSU and Teamsters Local 2010 have participated in mediation through the Public Employment Relations Board (PERB) and a recently issued fact-finding report confirms that the CSU did not receive the funding required under the agreement to trigger those salary increases.”

Moreover, CSU states, “ The CSU is concerned by continued efforts to address individual labor disputes through statute rather than through the collective bargaining process. If either party believes the existing mechanisms for resolving disputes are inadequate, those concerns should be addressed at the bargaining table during future negotiations. Establishing new statutory requirements in response to a specific contractual disagreement risks undermining the integrity of the collective bargaining process and the agreements reached by both parties.”

4. Related/ Prior Legislation:

AB 1582 (Ortega, 2026) would make HEERA employers who disregard arbitration decisions related to CBA violation disputes over outsourcing “the same or similar services” of bargaining unit work, subject to PERB unfair labor practice charges and penalties for repeat offenders, as specified. AB 1582 is currently pending hearing in the Senate Appropriations committee.

AB 1630 (Caloza, 2026), would make changes to HEERA regarding observation of the meet and confer process. AB 1630 is currently pending hearing in the Senate Appropriations committee.

Teamsters California (Sponsor)
California Faculty Association
California Federation of Labor Unions
California Federation of Teachers
California State University Employees Union
San Francisco Board of Supervisors
Service Employees International, California

OPPOSITION

California State University,

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SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	AB 1883	Hearing Date:	July 1, 2026
Author:	Bryan		
Version:	May 18, 2026		
Urgency:	No	Fiscal:	Yes
Consultant:	Alma Perez-Schwab		

SUBJECT: Workplace surveillance tools

KEY ISSUE

This bill regulates the use of workplace surveillance tools, as defined, by both public and private employers by prohibiting their use on workers to carry out certain actions or make certain inferences.

ANALYSIS

Existing law:

- 1) States that the “right to privacy is a personal and fundamental right protected by Section 1 of Article I of the Constitution of California and by the United States Constitution and that all individuals have a right of privacy in information pertaining to them.” Further states these findings of the Legislature:
 - a) The right to privacy is being threatened by the indiscriminate collection, maintenance, and dissemination of personal information and the lack of effective laws and legal remedies.
 - b) The increasing use of computers and other sophisticated information technology has greatly magnified the potential risk to individual privacy that can occur from the maintenance of personal information.
 - c) In order to protect the privacy of individuals, it is necessary that the maintenance and dissemination of personal information be subject to strict limits.
(Civil Code §1798.1)
- 2) States that advances in science and technology have led to the development of new devices and techniques for the purpose of eavesdropping upon private communications and that the invasion of privacy resulting from the continual and increasing use of such devices and techniques has created a serious threat to the free exercise of personal liberties that cannot be tolerated in a free and civilized society. (Penal Code §630)
- 3) Prohibits a person from intentionally, and without the consent of all parties to a confidential communication, using an electronic amplifying or recording device to eavesdrop upon or record the confidential communication. For purposes of these provisions, defines a “person” to mean an individual, business association, partnership, corporation, limited liability company, or other legal entity. (Penal Code §632)
- 4) Defines the following terms:

- a) “Artificial intelligence” or “AI” means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.
 - b) “Automated decision system” means a computational process derived from machine learning, statistical modeling, data analytics, or artificial intelligence that issues simplified output, including a score, classification, or recommendation, that is used to assist or replace human discretionary decisionmaking and materially impacts natural persons. “Automated decision system” does not include a spam email filter, firewall, antivirus software, identity and access management tools, calculator, database, dataset, or other compilation of data.
 - c) “Generative artificial intelligence” or “GenAI” to mean an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system’s training data.
(Government Code §11546.45.5 & §11549.64)
- 5) Requires the Office of Emergency Services to, as appropriate, perform a risk analysis of potential threats posed by GenAI to California’s critical infrastructure, including risks that could lead to mass casualty events. Among other things, requires the analysis to include recommendations reflecting changes to AI technology, its applications, and risk management such as further private actions, administrative actions, and collaboration with the Legislature to protect against potential threats and vulnerabilities. (Government Code §11549.65)
- 6) Establishes the California Consumer Privacy Act (CCPA), which grants consumers certain rights with regard to their personal information, including enhanced notice, access, and disclosure; the right to deletion; the right to restrict the sale of information; and protection from discrimination for exercising these rights. It places attendant obligations on businesses to respect those rights. (Civil Code §1798.100 et seq.)
- 7) Grants a consumer the right to request that a business that collects personal information about the consumer disclose to the consumer the following:
- a) the categories of personal information it has collected about that consumer;
 - b) the categories of sources from which the personal information is collected;
 - c) the business or commercial purpose for collecting, selling, or sharing personal information;
 - d) the categories of third parties with whom the business shares personal information; and
 - e) the specific pieces of personal information it has collected about that consumer. (Civ. Code § 1798.110.)
- 8) Establishes the Consumer Privacy Rights Act (CPRA), which amends the CCPA and creates the California Privacy Protection Agency (PPA), which is charged with implementing these privacy laws, promulgating regulations, and carrying out enforcement actions. (Civil Code §1798.100 et seq.; Proposition 24 (2020))
- 9) Establishes the Department of Industrial Relations (DIR) in the Labor and Workforce Development Agency (LWDA), and vests it with various powers and duties to foster, promote, and develop the welfare of the wage earners of California, to improve their working conditions, and to advance their opportunities for profitable employment. (Labor Code §50.5)

- 10) Establishes within the DIR, various entities including the Division of Labor Standards Enforcement (DLSE) under the direction of the Labor Commissioner (LC), and empowers the LC with ensuring a just day's pay in every workplace and promotes economic justice through robust enforcement of labor laws. (Labor Code §79-107)
- 11) Requires employers to provide to each employee, upon hire, a written description of each quota to which the employee is subject, as specified, and prohibits an employer from requiring an employee to meet a quota that prevents compliance with meal or rest periods, use of bathroom facilities, including reasonable travel time to and from bathroom facilities, or occupational health and safety laws. Additionally, prohibits an employer from taking adverse employment actions against an employee for failure to meet a quota that does not allow a worker access to these rights. (Labor Code §2101)
- 12) Prohibits an employer from causing an audio or video recording to be made of an employee in a restroom, locker room, or room designated by an employer for changing clothes, unless authorized by court order. No recording made in violation of this prohibition may be used by an employer for any purpose. A violation of this section constitutes an infraction. (Labor Code §435)
- 13) Authorizes, until January 1, 2029, a public prosecutor to prosecute an action, either civil or criminal, for a violation of certain provisions of the labor code or to enforce those provisions independently. (Labor Code §181)
- 14) Establishes the Fair Employment and Housing Act (FEHA), which makes it an unlawful employment practice for an employer, on the basis of a person's protected characteristics, to refuse to hire, employ, bar or discharge the person or refuse to select the person for a training program leading to employment, or to discriminate against the person in compensation or in terms, conditions, or privileges of employment. [Government Code §12940(a)]
- 15) Provides that the protected characteristics under FEHA are: race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decisionmaking, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or veteran or military status. (Government Code §12940)

This bill:

- 1) Defines, among other terms, the following:
 - a. "Employer" means a person or governmental entity that directly or indirectly, or through an agent or any other person, employs or exercises control over the wages, benefits, other compensation, hours, working conditions, access to work or job opportunities, or other terms or conditions of employment, of any worker, including all branches of state government, and all cities, counties, cities and counties, charter cities, charter counties, special districts, including transit districts, the University of California, the California State University, community college districts, school districts, or any other state or local governmental entity. This includes an employer's labor contractor.

- b. “Worker” means a natural person, an employee of, or an independent contractor providing service to, or through, a business or a state or local governmental entity in a workplace.
 - c. “Workplace surveillance tool” as any system, application, instrument, or device that collects or facilitates the collection of worker data, activities, communications, actions, biometrics, or behaviors by means other than direct observation by a person, including video or audio surveillance, continuous incremental time-tracking tools, geolocation, electromagnetic tracking, photoelectronic tracking, or that utilizes a photo-optical system or other means.
 - d. “Neural data” means information that is generated by measuring the activity of a worker’s central or peripheral nervous system, and that is not inferred from nonneural information.
- 2) Prohibits an employer from using a “workplace surveillance tool” on workers to do any of the following:
- a. Prevent compliance with or violate any federal, state, or local labor, occupational health and safety, employment, or civil rights laws or regulations.
 - b. Infer information about workers engaging in activity protected by state or federal law.
 - c. Make inferences about an individual’s emotional state.
 - d. Make inferences about an individual based on their gait.
 - e. Collect neural data.
 - f. Infer a worker’s protected status under the Fair Employment and Housing Act (FEHA).
- 3) Prohibits an employer from using facial recognition technology to make inferences about a worker for firing, deactivation, or disciplinary purposes.
- 4) Provides that these provisions do not prohibit an employer from using workplace surveillance tool to ensure safety, provided that the tool does not incorporate AI that makes inferences or predictions based on a worker’s emotional, gait, neural data, protected status under FEHA, or about activity protected by state or federal law.
- 5) Provides for civil enforcement by the Labor Commissioner, public prosecutors, and a worker or their representative, who has suffered a violation. Such petitioners may bring a civil action seeking appropriate temporary or preliminary injunctive relief, including punitive damages, and reasonable attorney’s fees and costs. Public enforcers may additionally seek civil penalties.
- 6) Authorizes the Labor Commissioner, in addition to the above civil action, to further enforce this part, including by investigating an alleged violation, and ordering appropriate temporary relief to mitigate a violation or maintain the status quo pending the completion of a full investigation or hearing, including issuing a citation against an employer in violation, as specified.
- 7) Clarifies that these provisions do not apply to the use of a workplace AI tool or a workplace surveillance tool to the extent that use of the tool is required by, or reasonably necessary to comply with, a federal statute, federal regulation, or binding federal contract relating to any of the following:
- a. The development of aircraft for use in the national airspace.

- b. The development of products or services for national security, military, space, or defense purposes.
- 8) Provides that the above exemption applies only to the operations covered by a federal statute, federal regulation, or binding federal contract as outlined.

COMMENTS

1. Background:

Artificial Intelligence and Workplace Surveillance Tools

Until recently, advancements in technology often automated physical tasks, such as those performed on factory floors or self-checkouts, but AI functions more like human brainpower. AI can use algorithms to accomplish tasks faster and sometimes at a lower cost than human workers can. Generative AI is a subfield of AI that creates content in response to inputs or prompts learned from underlying patterns and structures of data. Outputs of GenAI can include content like text, images, audio, software code, or even predictions, recommendations, or decisions.

As this technology develops, so do fears of worker displacement in more areas and industries. Beyond replacing workers, GenAI tools like ChatGPT, Gemini or Claude are being used to complement the duties of employees in astonishing numbers. A June 2026 report by the California Policy Lab tracking AI-related job loss using unemployment insurance claims data in California found that by 2025, hundreds of millions of people were using generative AI tools and more than a third of U S workers reported using generative AI to enhance productivity in their jobs.¹ The report notes that, “While these technologies may deliver large productivity gains and complement human labor, they may also result in workers being displaced. Given the speed and potential scale of this transformation, policymakers need timely data to identify emerging trends of AI-related job losses and to inform safety-net and workforce development policies to support these workers.”²

In the context of workplace surveillance, employers are deploying AI-powered tools to monitor, collect and analyze employee data that can be used to manage workers. This can include: keylogging and screen monitoring; automated facial recognition; voice and tone analysis during calls; wearables and biometric sensors tracking movement or health data, including the monitoring of eye movements, body shifts and facial expressions; and predictive analytics identifying “unproductive” behavior, among others. As highlighted in a 2021 UC Berkeley study, AI-powered tools are being used in examples such as:

- Hiring software by the company HireVue generates scores of job applicants based on their tone of voice and word choices captured during video interviews.
- Algorithms are being used to predict whether workers will quit, become pregnant, or try to organize a union, which influence employers’ decisions about job assignment and promotion.

¹ Hyman, B., Von Wachter, T., Herrera, D., Moghadam, R., Morris, J., Motghare, S., Segal, K. (June 2026) *Tracking AI-Related Job Loss Using Unemployment Insurance Claims Data in California*. California Policy Lab. <https://capolicylab.org/wp-content/uploads/2026/06/Tracking-AI-Related-Job-Loss-Using-Unemployment-Insurance-Claims-Data-in-California.pdf>

² Ibid.

- Call center technologies are analyzing customer calls and nudging workers in real time to adjust their behavior, such as coaching them to express more empathy, pace the call more efficiently, or exude more confidence and professionalism.³

Employee monitoring and surveillance is not a new phenomenon, unfortunately, the technological advancements of the last few years are putting into question just how far is too far? Amazon is an extreme example of the extent that AI and workplace monitoring and surveillance has taken us. According to various sources, including a claim filed with the National Labor Relations Board by employees, Amazon tracks every minute that workers spend off their tasks.⁴ Workers claim they get written warnings for every 30 minutes of time off-task and can be fired if they accumulate 120 minutes of time off-task in a single day or if they have accumulated 30 minutes of time off-task on three separate days in a one-year period.⁵ Activities that amount to “time off task” include going to the bathroom, talking to another worker, or going to the wrong work station. Workers reported that they were afraid to go to the bathroom or get a drink of water for fear of being disciplined.⁶ In addition to tracking time off-task, Amazon also uses AI cameras at workstations to catalog worker mistakes.⁷ Monitoring the workers’ activities non-stop also helps improve the AI computer system, which learns from the responses of Amazon’s video reviewers and becomes more accurate over time.⁸

California Consumer Privacy Act (CCPA) and Worker Rights:

Existing law establishes the California Consumer Privacy Act of 2018 (CCPA), giving consumers more control over the personal information that businesses collect about them. As of January 1, 2023, the CCPA covers employees of specified large employers by granting them certain rights and protections with regards to their privacy at work.

Specifically, the CCPA grants workers, among other things, the right to know when their employers are collecting data on them, the right to access that data, the right to correct and delete data, and grants employees protections from retaliation for exercising these rights. The CCPA applies to a worker’s personal information, such as their IDs, demographics, employment-related data, biometric data, social media data, geolocation data, audio data, and any inferences about the worker’s characteristics and abilities, personal information like religious beliefs and sexual orientation, among other information.

Unfortunately, the CCPA only applies to employees at for-profit companies doing business in the State that meet one or more of the following qualifications⁹:

- Have more than \$25 million in gross annual revenue;

³ Bernhardt, A., Kresge, L., Suleiman, R. (2021) UC Berkeley Labor Center. “Data and Algorithms at Work: The Case for Worker Technology Rights.” <https://laborcenter.berkeley.edu/data-algorithms-at-work/>

⁴ The Guardian, Michael Sainato, May 21, 2024. “You feel like you’re in prison”: workers claim Amazon’s surveillance violates labor law.” <https://www.com/us-news/article/2024/may/21/amazon-surveillance-lawsuit-union>

⁵ Lauren Kaori Gurley, “Internal Documents Show Amazon’s Dystopian System for Tracking Workers Every Minute of Their Shifts” *Vice* (Jun. 2, 2022) <https://www.vice.com/en/article/internal-documents-show-amazons-dystopian-system-for-tracking-workers-every-minute-of-their-shifts/>

⁶ *Ibid.*

⁷ Niamh McIntyre and Rosie Bradbury, *The eyes of Amazon: a hidden workforce driving a vast surveillance system*, The Bureau of Investigative Journalism (Nov. 21, 2022) <https://www.thebureauinvestigates.com/stories/2022-11-21/the-eyes-of-amazon-a-hidden-workforce-driving-a-vast-surveillance-system/>

⁸ *Ibid.*

⁹ UC Berkeley Labor Center, Kung Feng, December 6, 2023. “Overview of New Rights for Workers under the California Consumer Privacy Act.” <https://laborcenter.berkeley.edu/overview-of-new-rights-for-workers-under-the-california-consumer-privacy-act/>

- Buy, sell, or share the personal information of 100,000 + consumers or households;
- Derive 50 percent or more of their annual revenue from selling or sharing consumers' personal information;

In terms of enforcement, the CCPA applies to independent contractors, job applicants, former employees, and third parties that control the collection of an employer's worker data, as specified. The California Privacy Protection Agency (CPPA) was created to enforce the CCPA and is able to investigate alleged violations and impose administrative fines. California's AG is also authorized to enforce the CCPA. There is no private right of action except in cases of data breaches.¹⁰

This bill:

This bill would regulate the use of "workplace surveillance tools" by prohibiting employers from using a workplace surveillance tool on workers to carry out certain actions or make certain inferences. Specifically, employers would be prohibited from using a workplace surveillance tool that: prevents compliance with existing laws or regulations; inferring information about workers engaging in protected activity including based on protected characteristics under FEHA; making inferences about an individual's emotional state or based on their gait; and collecting neural data.

2. Double Referral and Amendments:

This bill has been double referred to the Senate Committee on Privacy, Digital Technologies, and Consumer Protection and this committee (second). It is scheduled for hearing in the first committee on June 29, 2026 and in this committee on July 1, 2026.

In response to concerns raised, the author agreed to a series of amendments in the Senate Privacy, Digital Technologies and Consumer Protection Committee that dramatically narrow the bill. As agreed to be amended, the bill would prohibit an employer from using a workplace surveillance tool that uses AI on workers that is capable of recognizing or making inferences or predictions about an individual's emotional state or of collecting neural data.

The amendments remove the provisions that would have prohibit an employer from:

- Using a workplace surveillance tool to prevent compliance with or violate any federal, state, or local labor, occupational health and safety, employment, or civil rights laws or regulations.
- Inferring information about workers engaging in activity protected by state or federal law.
- Making inferences about an individual based on their gait.
- Using facial recognition technology to make inferences about a worker for firing, deactivation, or disciplinary purposes.
- Using a workplace surveillance tool to infer a worker's protected status under the Fair Employment and Housing Act.

Due to the double referral and the short turnaround for this committee's hearing, the Senate Privacy, Digital Technologies and Consumer Protection Committee was unable to process the agreed upon amendments. The amendments will be taken in this committee.

¹⁰ *Ibid.*

3. Need for this bill?

According to the author:

“Employers’ pursuit of productivity combined with high-tech surveillance tools can increase violations of basic labor laws, like breaks, health and safety, access to bathrooms, and others as workers are tethered to electronic leashes that maximize productivity, eliminating downtime and making it harder to slow down or take breaks. Work driven by machines forces humans to work like machines. As a result, workers are prone to increased injuries, accidents, stress, and burnout. A U.S. Senate committee report found that Amazon workers are subject to algorithmic quotas that cause them to move in unsafe ways at unsustainable speeds. Unsurprisingly, Amazon warehouses have injury rates 30% higher than other warehouses.

Increasingly, employers are using sophisticated tools to monitor worker sentiment to prevent workers from unionizing or advocating for their rights. Perceptyx, a company that collects and analyzes employee surveys, digital focus groups, and other information, said it could create a “union vulnerability index” so employers can see which group of workers is at highest risk of unionizing. Whole Foods used predictive analytics to track store locations considered at high risk of union activity. According to reports, Google has a surveillance system that sends an alert to management if there are internal meetings scheduled with 100 or more employees, “partially to weed out employee organizing.”

The power, scope, and scale of current surveillance tools surpass anything employers have had in the past. Yet, our laws have not caught up with the advances of technology and give workers scant protection from the most invasive, discriminatory, or harmful surveillance tools on the market.”

4. Proponent Arguments:

According to proponents, including the California Federation of Labor Unions and Teamsters California, co-sponsors of the measure:

“Employers have used surveillance to monitor, manage, and control workers for decades. However, today’s employers now have access to a plethora of AI enabled surveillance tools capable of analyzing a worker’s gait, neural activity, emotional state, and face. AI enabled surveillance differs from traditional video and audio monitoring in several ways. For one, these tools strip workers of their biometric data, essentially committing a full-scale invasion of workers’ physical, mental, and emotional space at all hours of the day. Rather than requiring a human to monitor live surveillance feeds, today’s tools utilize active AI monitoring that are capable of monitoring workers with zero interruptions. Heart rate, perspiration, facial expressions, and eye movements are tracked and used as data points to target “unproductive” workers and to “minimize risk” in the workplace.

AI tools rely on black-box algorithms to surveil workers. Data from emotion recognition, neural sensors, and facial and gait sensors are not just observations, but analysis of the data collected. Not only is that data potentially unreliable, but it can have bias built in, further exacerbating discrimination and inequities. For example, tools that utilize emotion recognition technology may very well fail to understand cultural nuances of expression and may be trained on biased information that inaccurately tags certain forms of speech as

“aggressive” or “inappropriate.” Similarly, facial recognition has a long history of failing to accurately recognize people of color, thus automating discrimination on a massive scale.

In order to protect workers from unregulated forms of military grade surveillance technology, AB 1883 prohibits employers from deploying gait, emotional, and neural recognition technologies in the workplace. AB 1883 also sets guardrails on the use of facial recognition technology by prohibiting employers from using the technology to make inferences to fire, discipline, or deactivate a worker.”

5. Opponent Arguments:

A coalition of employer organizations, including the California Chamber of Commerce, are opposed to the measure and argue, among other things, that:

“Proposed Section 1581(a) prohibits any use of tools to determine emotional state. Again, while we appreciate the intent, there are certain legitimate uses that should be allowed, including:

- In-vehicle tools that may detect unsafe driving behavior
- Logistics tools that assess employees’ gait for purposes of evaluating the most efficient way to organize a warehouse or employee job duties
- Tools designed to identify theft or suspicious personnel on premises that would also capture employees or contractors on the premises
- Tools that flag inappropriate behavior during customer interactions

We understand there are scenarios where there should be guardrails about how the tools should be used or when they can be used for an adverse employment action, but a blanket prohibition would impact legitimate uses of certain technologies.”

Additional points of concern from this private sector employer coalition are:

- The bill’s definition of “worker” includes independent contractors, which should be removed from the bill. Contractors are often limited-term workers who are performing a specific job for a company. By definition they are very different from an employee. Their contract will dictate the terms of that job and any job-specific requirements. This trend of treating them the same as employees in every new bill is at odds with prior legislation and court decisions. Further, their inclusion in such a broad bill compounds the bill’s administrative burden on businesses and state and local governments.
- AB 1883 creates a private right of action where any misstep in interpreting or implementing AB 1883’s broad requirements would subject a business of any size to a private right of action, including penalties.
- AB 1883 should preempt local ordinances because, they argue, varying requirements across different cities and counties are often a compliance nightmare. If certain restrictions on technologies are implemented, there should be a statewide rule.
- AB 1883 designates the Labor Commissioner as the primary enforcement authority, requiring the Division of Labor Standards Enforcement to investigate violations, issue citations, and file civil actions. These duties would likely necessitate additional staffing and resources within the Department of Industrial Relations, increasing state operational costs.

Additional opposition from a large coalition of associations representing public employers, including the California State Association of Counties, writes in opposition:

“We have fundamental concerns with this and other bills that aim to restrict how public agencies can use the tools defined as “workplace surveillance tools,” which we believe are essential and, in many cases, routine tools used for security.

- We oppose any legislation that will compromise health, safety, and security for our employees, the public we serve, and our officials.
- We oppose any legislation that compromises our ability to conduct investigations into fraud, waste, or abuse.
- We do not believe it is appropriate to regulate tools used for security and basic operations in response to private sector labor concerns. State law has protected the right of public employees to bargain and most public employees have a property interest in their position that is protected by due process.

AB 1883 would impose several rules on how public agencies may use surveillance tools – a term that is vast in its application, including video cameras, ID badge or key fob access, digital workplace messaging collaboration platforms (e.g. Microsoft Teams or Slack), and a wide array of tools used to keep workplaces safe, conduct essential government services, and protect against abuse, fraud, and waste of public resources.

We understand the reasonable concerns one could have about the rapid integration of surveillance tools into every aspect of daily life, particularly as new technologies emerge. However, we are concerned that this bill and others aimed at limiting workplace technology are too broad, too expensive, and too dangerous for public agencies and those we serve.”

6. Prior/Related Legislation:

AB 1898 (Schultz, 2026) would, among other things, require employers to give workers at least 90 days’ advance written notice to an employee before deploying any workplace AI tool, as defined, used to assist the employer in making employment-related decisions or to surveil workers in the workplace. The bill allows enforcement by the Labor Commissioner, public prosecutors, and workers themselves, with civil penalties of up to \$500 per violation. *AB 1898 was held under submission in the Assembly Appropriations Committee.*

AB 2027 (Ward, 2026) would, among other things, prohibit an employer from using a worker’s personal information, as defined, to train an AI system to replicate, automate, or replace a worker’s job, and would prohibit an employer from selling, disclosing, or otherwise providing access to a worker’s personal information to a third party for the purpose of training an AI system, as specified. *AB 2027 was held under submission in the Assembly Appropriations Committee.*

AB 2545 (Schiavo, 2026) would create the CA AI Worker Impact Data Assessment Project within the Employment Development Department to, among other things, establish an advisory panel consisting of labor, technology experts and employers to study and report to the Legislature on the existing data collection systems and gaps in data collection related to

the use and impact of AI on the labor force, as specified. *AB 2545 is pending before the Senate Privacy, Digital Technologies & Consumer Protection Committee.*

AB 2575 (Ortega, 2026) would, among other things, require a health facility and other specified health providers that use or deploy a clinical decision support system for patient care to make available, upon the request, an inventory of all clinical decision support systems in use or deployed for patient care and prohibits an employer from retaliating or discriminating against a worker based solely on the worker's override of, or reliance on, the output of a clinical decision support system, as specified. *AB 2575 is pending before the Senate Privacy, Digital Technologies & Consumer Protection Committee.*

AB 2656 (Petrie-Norris, 2026) would require certain public employers to provide a recognized employee organization with no less than 45 days' written notice before developing, purchasing, implementing, or utilizing any GenAI to perform a service that is within the scope of work of the job classification represented by the recognized employee organization. *AB 2656 is pending before this Committee.*

SB 947 (McNerney, 2026) would, among other things, prohibit an employer from using an automated decision system (ADS) that does certain functions and would limit the purposes and manner in which an ADS may be used to make disciplinary, termination, or deactivation decisions. The bill includes worker anti-retaliation provisions for exercising these rights and specifies enforcement provisions including specified penalties and relief for violations. *SB 947 is pending before the Assembly Judiciary Committee.*

SB 951 (Reyes, 2026) would, among other things, establish the California Worker Technological Displacement Act requiring a covered employer to provide at least a 60-day advanced written notice before any technological displacement affecting 50 or more workers during any 30-day period. *SB 951 is pending before the Assembly Privacy & Consumer Protection Committee.*

Several other bills have been introduced in 2026 addressing AI related issues including: SB 813 (McNerney), SB 906 (Padilla), SB 1248 (Cabaldon), AB 1979 (Bonta), AB 2653 (Lee)

AB 1221 (Bryan, 2025) would have required an employer, at least 30 days before introducing a workplace surveillance tool, as defined, to provide a worker who will be affected with a written notice. The bill would have also prohibited an employer from using certain tools, including one that incorporates facial, gait, or emotion recognition technology. The bill would have required the LC to enforce these provisions, authorized an employee to bring a civil action for violations, and authorized a public prosecutor to also enforce these provisions. *AB 1221 was held under submission in the Assembly Appropriations Committee.*

AB 1331 (Elhawary, 2025) would limit the use of workplace surveillance tools, as defined, by employers, including by prohibiting an employer from monitoring or surveilling workers in employee-only, employer-designated areas, as specified. The bill also includes anti-discrimination provisions protecting workers' exercise of these rights and includes penalties for violations. *AB 1331 is pending on the Senate Floor.*

Several other bills in 2025 addressed AI related issues including: SB 7 (McNerney, Vetoed), 238 (Smallwood-Cuevas), SB 503 (Pierson), AB 489 (Bonta), AB 1018 (Bauer-Kahan)

SUPPORT

California Federation of Labor Unions (Co-sponsor)
Teamsters California (Co-sponsor)
Alameda Labor Council
American Federation of Musicians, Local 7
American Federation of State, County and Municipal Employees, California
California Alliance for Retired Americans
California Conference Board of the Amalgamated Transit Union
California Conference of Machinists
California Employment Lawyers Association
California Faculty Association
California Federation of Teachers
California Nurses Association
California Professional Firefighters
California School Employees Association
California State Legislative Board of the SMART - Transportation Division
California State University Employees Union, SEIU Local 2579
California Teachers Association
Center on Policy Initiatives
Central Coast Labor Council
Communications Workers of America, District 9
Engineers and Scientists of California, IFPTE Local 20
Fresno-Madera-Tulare-Kings Central Labor Council
Inland Empire Labor Council, AFL-CIO
Kapor Center Advocacy
North Bay Labor Council
North Valley Labor Federation
Oakland Privacy
Orange County Employees Association
Orange County Labor Federation, AFL-CIO
Privacy Rights Clearinghouse
San Mateo County Central Labor Council
Service Employees International Union, California State Council
State Building and Construction Trades Council of California
Tech Equity
UNITE HERE
Utility Workers Union of America
What We Will

OPPOSITION

Affairs + Public Policy
American Petroleum and Convenience Store Association
Associated General Contractors California
Associated General Contractors San Diego
Association of California Healthcare Districts

Association of California School Administrators
Building Owners and Managers Association of California
California Airports Council
California Apartment Association
California Assisted Living Association
California Association of Joint Powers Authorities
California Association of Recreation & Park Districts
California Association of School Business Officials
California Association of Sheet Metal & Air Conditioning Contractors National
California Association of Winegrape Growers
California Attractions and Parks Association
California Automatic Vendors Council
California Business Properties Association
California Chamber of Commerce
California Craft Brewers Association
California's Credit Union
California Distributors Association
California Farm Bureau
California Grocers Association
California Hospital Association
California Landscape Contractors Association
California League of Food Producers
California Legislative Conference of the Plumbing, Heating & Piping Industry
California Manufacturers & Technology Association
California Moving and Storage Association
California Restaurant Association
California Retailers Association
California Sheet Metal & Air Conditioning Contractors' National Association
California Special Districts Association
California State Association of Counties
California Transit Association
California Trucking Association
City of San Marcos
Civil Justice Association of California
Construction Employers Association
County Health Executives Association of California
County of Fresno
County of Kern
County of Riverside
Electronic Security Association
Family Business Association of California
Finishing Contractors Association of Southern California
Greater Coachella Valley Chamber of Commerce
Insights Association
League of California Cities
Los Angeles Area Chamber of Commerce
National Association of Independent Property Owners
National Automatic Merchandising Association
National Electrical Contractors Association
Northern California Allied Trades

Protect App-Based Drivers & Services Coalition
Public Risk Innovation, Solutions, and Management
Resource Recovery Coalition of California
Rural County Representatives of California
Security Industry Association
Self-Storage Association
SHRM California
Southern California Glass Management Association
Southwest California Legislative Council
TechNet
Tri-County Chamber Alliance
United Contractors
Urban Counties of California
Valley Industry and Commerce Association
Wall and Ceiling Alliance
Western Growers Association
Western Line Constructors Chapter
Western Painting and Coating Contractors Association
Western Wall and Ceiling Contractors Association
Wine Institute

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SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	AB 1896	Hearing Date:	July 1, 2026
Author:	Mark González		
Version:	June 24, 2026		
Urgency:	No	Fiscal:	Yes
Consultant:	Glenn Miles		

SUBJECT: Public employment: disqualifications

KEY ISSUE

This bill would disqualify any person previously employed by an entity that engaged in immigration enforcement and who personally assisted with immigration enforcement, from California public employment unless they performed those enforcement activities for a California state or local agency, as specified.

ANALYSIS

Existing law:

- 1) Creates the state civil service that includes every officer and employee of the state except a limited number of specified, exempted officers and employees. Existing law also requires that the state make “permanent appointment and promotion in the civil service under a general system based on merit ascertained by competitive examination.” Case law and custom refer to this provision as the merit principle and it governs the administration of the state’s civil service system. (CA CONST. art. VII, §1 and §4)
- 2) Establishes the State Personnel Board (SPB) to enforce the civil service statutes and prescribe probationary periods and classifications, adopt other rules authorized by statute, and review disciplinary actions. (CA CONST. art. VII, §2 and §3)
- 3) Provides that “every person shall be disqualified from holding any office of profit in this State who shall have been convicted of having given or offered a bribe to procure personal election or appointment”. (CA CONST. art. VII, §)
- 4) Requires that laws be made to exclude persons convicted of bribery, perjury, forgery, malfeasance in office, or other high crimes from office or serving on juries. The privilege of free suffrage shall be supported by laws regulating elections and prohibiting, under adequate penalties, all undue influence thereon from power, bribery, tumult, or other improper practice. (CA CONST. art. VII, §2 and §3)
- 5) Provides that a person is disqualified from holding any office upon conviction of designated crimes as specified in the Constitution and laws of the State. (Government Code § 1021)
- 6) Disqualifies, as specified, persons from holding office as a peace officer or being employed as a peace officer of the state, county, city, city and county, or other political subdivision, whether with or without compensation, and provides that they are disqualified from any office or employment by the state, county, city, city and county, or other political

subdivision, whether with or without compensation, which confers upon the holder or employee the powers and duties of a peace officer. ((Government Code § 1029)

This bill:

- 1) This bill disqualifies any person previously employed by an entity that engaged in immigration enforcement and who personally assisted with immigration enforcement on or after January 20, 2025, to January 20, 2029, inclusive, from public employment in California unless they were engaged in immigration enforcement with a qualifying public entity.
- 2) Specifies that a person shall not be disqualified from public employment in California for having engaged in immigration enforcement at any of the following public entities:
 - a) Any city, county, city and county, special district, or other political subdivision of the state.
 - b) Any agency of a city, county, city and county, special district, or other political subdivision of the state that is authorized to enforce criminal statutes, regulations, or local ordinances; or to operate jails or to maintain custody of individuals in jails; or to operate juvenile detention facilities or to maintain custody of individuals in juvenile detention facilities; or to monitor compliance with probation or parole conditions.
 - c) A California state or local law enforcement agency, including school police or security departments.
 - d) The California Department of Corrections and Rehabilitation.
- 3) Defines the following terms:
 - a) “California law enforcement agency” means a California state or local law enforcement agency, including school police or security departments.
 - b) “Immigration enforcement” includes any efforts to investigate or enforce any federal civil immigration law, including investigating or enforcing any federal criminal immigration law that penalizes a person’s presence in, entry to, or reentry to, or employment in, the United States.
 - c) “Local agency” means any city, county, city and county, special district, or other political subdivision of the state.
 - d) “Local law enforcement agency” means any agency of a city, county, city and county, special district, or other political subdivision of the state that is authorized to enforce criminal statutes, regulations, or local ordinances; or to operate jails or to maintain custody of individuals in jails; or to operate juvenile detention facilities or to maintain custody of individuals in juvenile detention facilities; or to monitor compliance with probation or parole conditions.
- 4) Does not prohibit or restrict any governmental entity or official from sending to, or receiving from, federal immigration authorities information regarding the citizenship or immigration status, lawful or unlawful, of an individual, or from requesting from federal immigration authorities immigration status information, lawful or unlawful, of any individual, or from maintaining or exchanging that information with any other federal, state, or local governmental entity, pursuant to federal law, as specified.

- 5) Authorizes CalHR or a designated appointing power to refuse to examine, or after examination to refuse to declare as eligible, or to withhold or withdraw from an eligible list, before the appointment, anyone who has been found to have been previously employed by an entity that engaged in immigration enforcement, as specified.
- 6) Includes a severability clause to preserve the validity of remaining provisions, if one of the bill's provision is found invalid, as specified.
- 7) Makes findings and declarations that the matter is a statewide concern and thus, necessary to apply to all cities, including charter cities.
- 8) Provides that if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made as specified.
- 9) Makes other findings and declarations regarding the current circumstances that form the intent of the Legislature to ensure that this act maintains the values of the State of California and protects its residents from immoral individuals from being stewards of public trust.

COMMENTS

1. Need for this bill?

According to the author:

“Immigration enforcement agents, by virtue of their employment, have consistently shown they are unwilling to stand up to unlawful orders, and therefore do not align with the core values of this state’s law enforcement or public employee missions.

Whistleblower documents and complaints presented to Congress also show alarming changes to ICE training including a shortened training program, the reduction of training exams and the removal of entire courses from their training program including use of force training.”

2. Proponent Arguments:

According to the Coalition for Humane Immigrant Rights:

“AB 1896 will disqualify anyone who has engaged in immigration enforcement activity from January 1, 2025, to January 20, 2029, from being employed as a state, county, or local public agency employee, including as a peace officer, with exceptions for allowed activities under SB 54, the California Values Act (2017).”

Anyone who engages in the terrorizing, kidnapping, shooting, or killing of innocent people has shown they are not interested in serving the public interest but are instead agents of harm, hate, and substantive violence. By disqualifying them from public employment, California will continue to ensure its people are served by those with their best interest at heart.”

According to the California Latino Legislative Caucus:

“Under the Trump Administration, immigration enforcement has repeatedly targeted vulnerable communities often using illegal tactics to increase the scale of deportation, including but not limited to, targeting individuals based on their employment, language preferences or appearance. The Trump administration has also engaged in a rapid employment and deployment of untrained federal agents. Reports show that recent recruits were trained for less than 14 weeks before being deployed into communities. Immigration enforcement agents have often engaged in increasingly violent modes of enforcement, endangering immigrants and community members alike. AB 1896 would ensure that no individual that has taken part in these violent immigration raids can later become a public employee in California.”

3. Opponent Arguments:

According to the California State Sheriffs’ Association:

“AB 1896 will restrict California law enforcement agencies from hiring otherwise qualified individuals as peace officers simply because they happened to work for a federal agency that engaged in federal immigration enforcement. This bill is not limited to persons who worked for federal agencies like Immigration and Customs Enforcement that have a primary responsibility connected to immigration enforcement. Under AB 1896, a person employed as a mail clerk by the Department of Homeland Security during the dates described in the bill would be ineligible to become a California peace officer.

The bill also neglects the fact that any person who is ultimately employed as a California peace officer is subject to extensive background checks and high statutory and departmental qualifications. Recruiting and retaining qualified peace officer candidates is already hard enough in California and AB 1896 will unnecessarily make that process more difficult.”

According to California Association of Highway Patrolmen:

“Additionally, the bill politicizes law enforcement hiring and sets a concerning precedent by disqualifying individuals based on prior lawful employment with federal agencies. It also raises concerns about workforce shortages, interagency cooperation, and the erosion of a unified law enforcement framework, as it penalizes individuals for carrying out federally authorized duties.”

- 4. Dual Referral:** The Senate Rules Committee referred this bill to the Senate Public Safety Committee and the Senate Committee on Labor, Public Employment and Retirement.

5. Related/ Prior Legislation:

SB 938 (Menjivar, 2026) would make certain United States Immigration and Customs Enforcement (ICE) officers ineligible for specified peace officer training waivers. *This bill is currently pending consideration in the Senate Appropriations committee.*

SB 1332 (L. Gonzalez, 2026) would make a person is ineligible for appointment to, or employment in, any civil service or exempt position with the state if the person has been employed by United States Immigration and Customs Enforcement during the period beginning January 20, 2025, and ending January 20, 2029. *This bill was withdrawn from its first policy hearing at the request of the author.*

AB 1627 (Avila-Farias, 2026) would specify existing laws disqualifying a person from being a peace officer if they were previously employed as a law enforcement officer and had their certification revoked, or engaged in serious misconduct that would have resulted in decertification in California, shall also include a law enforcement officer employed by the federal government who engages in immigration enforcement, as specified. *The bill is currently pending consideration on the Senate Floor.*

AB 1537 (Bryan, 2026) would prohibit specified peace officers from engaging in any form of secondary employment that involves engaging in, arresting, detaining, transporting, or deporting individuals pursuant to federal immigration laws. *This bill is currently pending consideration in the Senate Appropriations committee.*

SUPPORT

California Faculty Association
California Public Defenders Association
Central American Resource Center
City of Los Angeles
Coalition for Humane Immigrant Rights
Courage California
Ella Baker Center for Human Rights
Inland Coalition for Immigrant Justice
Justice2Jobs Coalition
LA Defensa
Los Angeles County Democratic Party
Public Counsel
SEIU California
Viet Voices

OPPOSITION

California Association of Highway Patrolmen
California Police Chiefs Association
California State Sheriffs' Association
City of Newport Beach
City of Upland
Peace Officers Research Association of California
Riverside County Sheriff's Office
SFV Alliance

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SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	AB 1940	Hearing Date:	July 1, 2026
Author:	Calderon		
Version:	June 23, 2026		
Urgency:	No	Fiscal:	Yes
Consultant:	Alma Perez-Schwab		

SUBJECT: Unlawful practices: discrimination: menopause

KEY ISSUES

This bill 1) expands the definition of “sex,” as a protected category under the Fair Employment and Housing Act (FEHA), to include perimenopause, menopause, or postmenopause or related medical conditions; and 2) requires the California Commission on the Status of Women and Girls and the Civil Rights Department (CRD) to take specified steps raise awareness of the employment rights of women experiencing perimenopause, menopause, or postmenopause.

ANALYSIS

Existing law:

- 1) Establishes the Commission on the Status of Women and Girls, which was created to develop recommendations which will enable women to make the maximum contribution to society. (Government Code §8240 et seq.)
- 2) Establishes the Civil Rights Department (CRD) to, among other things, enforce California’s civil rights laws and protect Californians from discrimination in employment, housing, businesses, state-funded programs, and from bias-motivated violence, and from human trafficking. (Government Code §12930 et seq.)
- 3) Establishes the Fair Employment and Housing Act (FEHA), which makes it an unlawful employment practice for an employer, on the basis of a person’s protected characteristics, to refuse to hire, employ, bar or discharge the person or refuse to select the person for a training program leading to employment, or to discriminate against the person in compensation or in terms, conditions, or privileges of employment. [Government Code §12940(a)]
- 4) Under FEHA, prohibits an employer, labor organization, employment agency, apprenticeship training program or any training program leading to employment, or any other person from harassing an employee, an applicant, an unpaid intern or volunteer, or a person providing services pursuant to a contract based on a person’s protected characteristic. Additionally, makes it unlawful for an employer to fail to take all reasonable steps necessary to prevent discrimination and harassment from occurring or fail to make a reasonable accommodation for the known physical or mental disability of an applicant or employee, as specified. [Government Code §12940(j), (k) and (m)]
- 5) Provides that the protected characteristics under FEHA are: race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decisionmaking, medical condition, genetic information, marital status, sex, gender, gender

identity, gender expression, age, sexual orientation, or veteran or military status.
(Government Code §12940)

- 6) Defines, among others, the following terms for purposes of FEHA:
- a) “Age” refers to the chronological age of any individual who has reached a 40th birthday.
 - b) “Employer” includes any person regularly employing five or more persons, with specified exceptions for religious associations and nonprofit organizations.
 - c) “Medical condition” means either of the following:
 - i. Any health impairment related to, or associated with, a diagnosis of cancer or a record or history of cancer, or
 - ii. Genetic characteristics, as defined.
 - d) “Physical disability” includes, but is not limited to, all of the following:
 - i. Having any physiological disease, disorder, condition, cosmetic disfigurement, or anatomical loss that either affects one or more specified body systems or limits a major life activity, as specified.
 - ii. Any other health impairment not described in (i) that requires special education or related services.
 - iii. Having a record or history of a condition or impairment described in (i) or (ii), which is known to the employer or other covered entity.
 - iv. Being regarded or treated by the employer or other covered entity as having, or having had, any physical condition that makes achievement of a major life activity difficult, or as having a condition or impairment described in (i) or (ii).
 - e) “Race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, age, sexual orientation, reproductive health decisionmaking, or veteran or military status” includes any of the following:
 - i. Any combination of those characteristics.
 - ii. A perception that the person has any of those characteristics or any combination of those characteristics.
 - iii. A perception that the person is associated with a person who has, or is perceived to have, any of those characteristics or any combination of those characteristics.
 - f) “Reasonable accommodation” may include either of the following:
 - i. Making existing facilities used by employees readily accessible to, and useable by, individuals with disabilities.
 - ii. Job-restructuring, part-time or modified work schedules, reassignment to a vacant position, acquisition or modification of equipment or devices, adjustment or modifications of examinations, training materials, or policies, the provision of qualified readers or interpreters, and other similar accommodations for individuals with disabilities.
 - g) “Sex” includes, but is not limited to, the following:
 - i. Pregnancy or medical conditions related to pregnancy.
 - ii. Childbirth or medical conditions related to childbirth.
 - iii. Breastfeeding or medical conditions related to breastfeeding.
 - iv. A person’s gender, which means sex, and includes a person’s gender identity and gender expression; “gender expression” means a person’s gender-related appearance and behavior whether or not stereotypically associated with the person’s assigned sex at birth.
- (Government Code §12926)

- 7) Requires the CRD to develop a poster on discrimination in employment to include information relating to the illegality of sexual harassment. One copy of the poster shall be provided by the department to an employer or a member of the public upon request. (Government Code §12950)
- 8) Requires every employer to ensure a workplace free of sexual harassment by, among other things, posting a poster developed by CRD in a prominent and accessible location in the workplace and providing sexual harassment training. (Government Code §12950 and §12950.1)
- 9) Provides, pursuant to the Unruh Civil Rights Act, that all persons within the jurisdiction of this state are free and equal, and no matter what their sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, or immigration status are entitled to the full and equal accommodations, advantages, facilities, privileges, or services in all business establishments of every kind whatsoever. Defines “sex” as including, but is not limited to, pregnancy, childbirth, or medical conditions related to pregnancy or childbirth. “Sex” also includes, but is not limited to, a person’s gender. (Civil Code §51)

This bill:

- 1) Expands the definition of “sex” within the FEHA to include perimenopause, menopause, or postmenopause or medical conditions related to perimenopause, menopause, and postmenopause.
- 2) Provides that within FEHA, the definition of “medical condition” does not apply to the definition of “sex,” as specified.
- 3) Requires the CRD, on or before July 1, 2027, to update its employment discrimination and sexual harassment poster to notify people of their rights and protections in regard to perimenopause, menopause, or postmenopause or medical conditions related to perimenopause, menopause, or postmenopause.
- 4) Requires the Commission on the Status of Women and Girls, beginning July 1, 2027, to raise awareness of the employment rights of women experiencing perimenopause, menopause, and postmenopause by doing all of the following:
 - a) Developing and distributing public education materials that clearly explain employment rights and workplace protections applicable to employees experiencing menopause-related symptoms, including, but not limited to, rights related to reasonable accommodations and retaliation under state and federal law.
 - b) Ensuring culturally competent and linguistically appropriate outreach by making all public education materials available in the languages required by state law, as defined, and tailoring messaging to reach diverse communities, including women of color, low-income workers, immigrant workers, older workers, and workers in industries with historically limited access to workplace protections information.
 - c) Coordinating with relevant state agencies, including the CRD, the Department of Industrial Relations, the Employment Development Department, and the State

Department of Public Health, to ensure accuracy, consistency, and clarity of information regarding menopause-related employment rights and resources.

- d) Partnering with community-based organizations, labor organizations, employer associations, and health advocacy organizations to expand the reach of outreach efforts and ensure materials are distributed through trusted messengers and accessible community channels.
- e) Conducting statewide public awareness campaigns, including digital, print, and media outreach, to educate both employees and employers about menopause in the workplace, with an emphasis on reducing stigma, promoting understanding, and encouraging compliance with existing employment laws.
- f) Providing referrals to enforcement and support resources, including information on how employees may file complaints, seek accommodations, or access legal, medical, or workplace support related to menopause-related employment issues.
- g) Periodically evaluating the effectiveness of outreach efforts, using available data and community feedback, and updating strategies and materials as necessary to address identified gaps and emerging needs.

COMMENTS

1. Background:

The Fair Employment and Housing Act:

FEHA provides protection from harassment or discrimination in employment because of the following protected characteristics: age (40 and over) race, religious creed, color, national origin, ancestry, disability (mental and physical), reproductive health decisionmaking, medical condition (cancer and genetic characteristics), genetic information, marital status, sex, gender, gender identity, gender expression, sexual orientation, or veteran or military status. FEHA applies to public and private employers, labor organizations and employment agencies with 5 or more employees.

FEHA's provisions barring discrimination apply to all business practices, including advertisements; applications, screening, and interviews; hiring, transferring, promoting, terminating, or separating employees; working conditions, including compensation; and participation in a training or apprenticeship program, employee organization or union.

Victims of discrimination, harassment or retaliation can file a complaint with the CRD for possible investigation. Once a claim is filed, CRD will then evaluate the facts and decide whether to accept the case for investigation. CRD attempts to resolve the dispute in appropriate cases and, if necessary, may decide to take legal action by filing a civil action in court on behalf of the worker, either individually or as a class complaint. Alternatively, if the CRD is unable to determine that a violation took place, or if the worker requests it at any time, then the department will provide the worker with a right-to-sue letter. Only upon receipt of the right-to-sue letter from the CRD may the worker proceed to file a civil action in court. The worker has one year from the date of the right-to-sue letter to do so.

State law provides a variety of remedies for victims of employment discrimination, including, among others: back pay (past lost earnings) and front pay (future lost earnings); hiring or reinstatement; promotion; policy changes; reasonable accommodation(s); damages for emotional distress; punitive damages; attorney's fees and costs.

Menopause, Perimenopause and Postmenopause:

Menopause is generally defined as the cessation of menstruation for at least 12 months in a person who previously menstruated. For some women, menopause can last for up to a decade. Common menopause symptoms include “hot flashes, night sweats, trouble sleeping, joint and muscle discomfort, pain during sex, moodiness and irritability, forgetfulness, difficulty concentrating, or a combination of these,” which can vary in frequency and severity.¹ Perimenopause is the stage that precedes menopause, when estrogen levels start to rise and fall and periods become more irregular; persons in perimenopause can also experience hot flashes, sleep problems, mood changes, and other symptoms of menopause.²

According to a 2025 analysis by the California Health Benefits Review Program at the University of California Berkeley, there are approximately 5 million women aged 40 to 64 years in California, many of whom experience mild, moderate, or severe menopause symptoms for a few months to more than 12 years.³

As noted by the Senate Judiciary Committee analysis of this bill:

“Menopause “is especially stigmatized because of its intersection with age and a perception that a woman’s value ends with her reproductive ability.”⁴ There is significant cultural discomfort around menopause, which has contributed to a (now-lessening) reluctance to discuss the topic, as well as dramatically disparaging portrayals, such as “[menopause is] a time in a woman’s life when she goes batty for a few years, subject to wild rage and deep depression, and after it she mourns her lost youth and fades into the woodwork.”⁵ In the workplace, stigma around menopause can lead to discrimination in two main forms: comments and employment actions based on stereotypes about how menopausal women, or “women of a certain age,” act and/or should act; and employer refusals to accommodate menopausal employees’ symptoms.”

FEHA and Reasonable Accommodations:

FEHA provisions require employers to provide reasonable accommodation for individuals with a physical or mental disability to apply for jobs and to perform the essential functions of their jobs unless it would cause an undue hardship. Reasonable accommodation can include, but is not limited to, changing job duties, providing leave for medical care, or changing work schedules. Employers must initiate an “interactive process” when an applicant or employee requests reasonable accommodations or when the employer becomes aware of the possible need for an accommodation. This awareness might come through a third party, by observation, or because the employee has exhausted leave benefits but still needs reasonable accommodation.

¹ National Institute on Aging, What is Menopause? (last reviewed Oct. 16, 2024)

<https://www.nia.nih.gov/health/menopause/what-menopause>

² Mayo Clinic Staff, Perimenopause Overview (Dec. 18, 2025) Mayo Clinic, <https://www.mayoclinic.org/diseases-conditions/perimenopause/symptoms-causes/syc-20354666>.

³ “A report to the 2025-2026 California Legislature: Analysis of California Assembly Bill 432: Menopause,” April 22, 2025. California Health Benefits Review Program, University of California Berkeley. <https://www.chbrp.org/sites/default/files/bill-documents/AB432/AB%20432%20Menopause%20-%20FINAL%20Apr%2022%2025.pdf>

⁴ Mullins, *Is it Hot in Here or Is It Just Me?: A Call for Menopause Equity in the Workplace* (Spr. 2022) 25 U. DC. L. Rev. 34, 34.

⁵ *Id.* at p. 38 (internal quotation marks omitted).

Under FEHA, it is possible for a person suffering from menopause related symptoms to request a reasonable accommodation from their employer if the symptoms rise to the level of a medical condition or disability. When the disability and/or the need for accommodation is not obvious, the employer may ask the individual for reasonable documentation about their disability and functional limitations.⁶ Reasonable documentation means that the employer may require only the documentation necessary to establish that a person has a disability which necessitates a reasonable accommodation.⁷

Unfortunately, this means that a person whose menopause symptoms do not rise to the level and severity of a disability or medical condition, for which they can get medical documentation, may not be able to access the relief of a reasonable accommodation to fulfill their work duties.

This bill:

As noted under existing law, FEHA provides definitions for the various protected characteristics. Under FEHA, “sex” includes a range of traits traditionally associated with one gender, such as pregnancy, gender expression, and gender identity. This bill proposes to include perimenopause, menopause, or postmenopause or other related medical conditions within the above definition of sex. The bill additionally requires the CRD and the Commission on the Status of Women and Girls to raise awareness of the employment rights of women experiencing perimenopause, menopause, or postmenopause by taking specified actions.

The many symptoms of menopause can make participating in the workforce difficult for some women. By adding menopause and the related before and after stages of menopause to protection under FEHA, this bill provides an avenue for women experiencing these transitions to receive accommodations at work without fear of discrimination.

A couple other states have already taken steps to protect against menopause discrimination. In 2025, Rhode Island became the first state in the nation to mandate workplace accommodations for menopausal women and explicitly prohibits menopause discrimination.⁸ This year, on June 1, 2026, the Governor of Washington signed an executive order recognizing that menopause is linked to premature departure from the workforce and that employees experiencing perimenopause or menopause may experience symptoms that may require reasonable accommodation. The EO instructs state agencies to, among other things, have appropriate workplace reasonable accommodation policies that apply to, and account for the needs of, employees experiencing menopause and/or perimenopause.⁹

2. Need for this bill?

According to the author:

“Currently, 39 million women in the US workforce are experiencing menopause or will soon experience menopause or menopausal symptoms. Despite the scale of this population, current

⁶ Savage, Ellen. “Medical Documentation Requirements for Disability Leaves,” Labor Law Corner. (June 17, 2022) CalChamber. <https://calchamberalert.com/2022/06/17/medical-documentation-requirements-for-disability-leaves/>

⁷ Ibid.

⁸ R.I. Gen. Laws § 28-5-7.4.

⁹ Wash. Governor’s Exec. Order No. 26-01 (June 1, 2026) p. 1.

laws do not clearly define workplace rights or protections for women or others experiencing menopause. Many women fear bias and discrimination, making them reluctant to disclose their menopausal status or discuss symptoms and concerns with managers or supervisors. They often feel both fear and a personal responsibility to manage their symptoms independently while at work. This reluctance and lack of support have been shown to negatively impact workforce participation and engagement. As a result, menopause-related challenges contribute to an estimated \$1.8 billion in lost work productivity annually.

No worker should experience discrimination, harassment, or bullying based on biological conditions that are largely outside their control. Providing clear legal protections and accessible information will help ensure that employees experiencing menopause feel supported and able to continue thriving in the workplace. Increased consideration and retention of experienced workers will also strengthen the workforce by reducing unnecessary job loss, reduced hours, or premature retirement.”

3. Proponent Arguments:

The California Commission on the Status of Women and Girls is sponsoring and write:

“According to the Center for Human Capital Innovation, 39 million women in the U.S. workforce currently experience or will soon experience menopause and related conditions. While current law prohibits discrimination on the basis of sex, the lack of specific protections for women experiencing these conditions can leave women in the workforce inadequately informed about their workplace rights. This can keep them from disclosing and discussing symptoms with employers, as well as, keep them from requesting reasonable accommodations. Research further shows that menopause-related challenges have contributed to an estimated \$1.8 billion loss in annual work productivity and may lead women to leave jobs and reduce their work hours. AB 1940 will help ensure that women have fair and equal access to employment to which menopausal conditions are not a barrier.”

The American College of Obstetricians and Gynecologists, District IX write in support:

“AB 1940 does two important things. First, it provides legal clarity so that workers experiencing menopause-related conditions are protected from discrimination and have access to reasonable accommodations, just as California law already recognizes protections for pregnancy and related conditions. Second, it promotes education and awareness so employers better understand both their obligations and the practical, low-cost accommodations that can make a meaningful difference, such as flexible scheduling, temperature control, or access to breaks.

Supporting menopausal women in the workplace is not burdensome; it is sound workforce policy. It improves retention, productivity, and equity for a substantial portion of California’s workforce.”

4. Opponent Arguments:

A coalition of employer organizations, including the California Chamber of Commerce, are opposed to the measure arguing:

“By adding perimenopause, menopause, and post menopause to the definition of “sex” in FEHA, our concern is that this creates a new, automatic basis on which to challenge any adverse employment action rather than keeping those conditions under the accommodation framework as described above. Women ages 35-54 represent roughly 40% of all women participating in California’s workforce, making this one of the largest demographic segments of the California labor market according to Employment Development Department’s 2025 Labor Market Report. Because employers are prohibited from asking employees to disclose any medical conditions, employers would effectively have to *assume* that 40% of the workforce falls in this new protected category. That would make it difficult for employers to ever take any disciplinary action against an employee who falls in this group out of concern for litigation.

Any misstep could subject employers to compensatory damages, emotional distress damages, punitive damages, and attorneys’ fees. California already has the highest litigation rate for employment claims in the country. A 2017 study by insurance provider Hiscox regarding the cost of employee lawsuits estimated that the cost for a small to mid-size employer to defend and settle a single plaintiff discrimination claim was approximately \$160,000, which was a \$35,000 increase from Hiscox’s study just two years earlier. This amount, especially for a small employer, reflects the financial risk associated with defending a lawsuit under FEHA. In 2016, Hiscox found that U.S. companies had a 10.5% chance of having an employment charge filed against them. For California, that percentage was 56.5%. According to the Civil Rights Department (CRD) annual reports, thousands of complaints are filed each year, with more than 50% of those employees choosing to immediately pursue civil litigation instead of having the CRD investigate their claim. According to the CRD’s 2024 Annual Report there were 16,924 cases with an immediate right to sue. This demonstrates the increased litigation exposure that businesses, including small businesses, face litigating employment claims.

In summary, while we appreciate the intent of AB 1940, we believe that the reasonable accommodation framework is the best solution for addressing symptoms arising from perimenopause, menopause, and post menopause.”

5. Double Referral:

This bill has been double referred and prior to our hearing today, was heard and passed by Senate Judiciary Committee.

6. Prior/Related Legislation:

AB 360 (Papan, 2025) would have required the Department of Health Care Access and Information to work with the Medical Board of California, the Osteopathic Medical Board of California, and state higher education entities to assess, among other things, physicians and surgeons’ education and training, as specified, relating to menopause diagnosis and treatment. *AB 360 was held under submission in the Assembly Appropriations Committee.*

AB 432 (Bauer- Kahan, 2025) would have required, among other things, a health care service plan contract or health insurance policy that covers outpatient prescription drugs, except as specified, that is issued, amended, or renewed on or after January 1, 2026, to include coverage for evaluation and treatment options for symptoms of perimenopause and menopause. *This bill was vetoed by Governor Newsom.*

AB 2270 (Maienschein, Chapter 636, Statutes of 2024) requires a number of medical boards, in determining their continuing education requirements, to consider including a course in menopausal mental or physical health.

SB 1137 (Smallwood-Cuevas, Ch. 779, Stats. 2024) clarified that the FEHA and other antidiscrimination laws protect against discrimination on the basis of an intersection of protected traits.

AB 524 (Wicks, 2023) would have added “family caregiver status” to the list of protected characteristics under the FEHA. *AB 524 was vetoed by Governor Newsom* who stated in his veto message that, “[a]lthough the bill does not require employers to provide ‘special accommodations’ based on ‘family caregiver status,’ it is not clear what types of acts would constitute unlawful discrimination and what types of acts would be lawful denials of ‘special accommodations.’ Given this ambiguity, this bill would be difficult to implement and lead to costly litigation for employers in California.”

AB 2467 (Bauer- Kahan, 2023) was virtually identical to AB 432 of 2025 and was *vetoed by Governor Newsom*.

SUPPORT

CA Commission on the Status of Women and Girls (Co-Sponsor)
American College of Obstetricians & Gynecologists - District IX
California Employment Lawyers Association
California Teachers Association
CFT – a Union of Educators & Classified Professionals, AFT, AFL-CIO
Delta Dental of California
Menopause Education Center
Menowar LLC
Wisepause Wellness

OPPOSITION

California Apartment Association
California Chamber of Commerce
California Restaurant Association
National Federation of Independent Business (NFIB)

-- END --

SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	AB 2142	Hearing Date:	July 1, 2026
Author:	Garcia		
Version:	April 23, 2026		
Urgency:	No	Fiscal:	No
Consultant:	Glenn Miles		

SUBJECT: School districts: community college districts: short-term employees: classified service

KEY ISSUE

This bill would require school and community college districts using a merit system to replace short-term positions with permanent classified positions under specified conditions unless the district could rebut the presumption that positions meeting the conditions are classified, not short-term positions.

ANALYSIS

Existing law:

- 1) Requires the governing board of a school district to employ persons for positions not requiring certification qualifications and classify all of these employees and positions, except as specified. The employees and positions shall be known as the classified service. (Education Code § 45103)
- 2) Allows school districts to employ short-term employees who are employed and paid for less than 75 percent of a school year, and provides that short-term employees are not part of the classified service. (Education Code § 45103 (b))
- 3) Defines “short-term employee” to mean a person who is employed to perform a service for the school district, upon the completion of which, the service required or similar services will not be extended or needed on a continuing basis. Before employing a short-term employee, the governing board of a school district, at a regularly scheduled board meeting, shall specify the service required to be performed by the employee pursuant to the definition of “classification” in subdivision (a) of Section 45101, and shall certify the ending date of the service. The ending date may be shortened or extended by the governing board of a school district, but shall not extend beyond 75 percent of a school year. (Education Code 45103 (d)(2))
- 4) Provides that the provisions described above apply only to school districts not incorporating the merit system. (Education Code 45103 (f))
- 5) Requires the governing board of a community college district to employ persons for positions that are not academic positions and classify those employees and positions, as specified, to be known as the classified service. (Education Code § 88003)

- 6) Allows community college districts to employ short-term employees who are employed and paid for less than 75 percent of a college year, and provides that short-term employees are not part of the classified service. (Education Code § 88003)
- 7) Defines “short-term employee” to mean a person who is employed to perform a service for the community college district, upon the completion of which, the service required or similar services will not be extended or needed on a continuing basis. Before employing a short-term employee, the governing board of a community college district, at a regularly scheduled meeting of the governing board of the community college district, shall specify the service required to be performed by the employee pursuant to the definition of “classification” in subdivision (a) of Section 88001, and shall certify the ending date of the service. The ending date may be shortened or extended by the governing board of the community college district, but shall not extend beyond 75 percent of a school [college] year. (Education Code § 88003 (c)(1))
- 8) Provides that the provisions described above applicable to a community college district, apply only to a community college district not incorporating the merit system. (Education Code 88003 (f))

This bill:

- 1) Provides a rebuttable presumption that a school or community college district is required to replace a short-term employee position with a position in the classified service if any of the following occurs:
 - a) The short-term employee performs the required service of the position beyond 75 percent of a school year.
 - b) The short-term employee voluntarily separates or is laid off or terminated from employment for at least 50 percent but less than 75 percent of a school year, and the same employee is then rehired in the next school year to perform substantially the same services for at least 50 percent of the school year.
 - c) The services of the short-term employee position are used at least 50 percent of a school year for three of five consecutive school years.

COMMENTS**1. Need for this bill?**

According to the author:

“School districts and community colleges are allowed to hire classified ‘short-term’ workers for a variety of classified positions. These workers are defined largely as anyone who is employed to perform a service for the school, upon the completion of which, the service required will not be extended or needed on a continuing basis. These “short-term” employees may only be employed for 75 percent of a school year.

Although these positions are deemed ‘not needed on a continuing basis’, in theory; they are in fact utilized continuously for many years.

... [The bill's supporters] have shared many such situations where people are being worked as short-term employees for 10 years or more. The practice denies employees the status and benefits of regular employment."

2. Proponent Arguments:

According to the California Federation of Teachers:

"EC [Education Code] Sections 45103 and 88103 allow education employers to bring on "short-term employees" for up to 75% of a school year and deny them every single right explicitly guaranteed by law to classified workers. As concerning as this section of law is, the reality is even worse: sometimes these workers are kept on as short-term employees for years if not decades, leaving dedicated employees languishing in unacceptable working conditions for far too long and in clear violation of the law.

For example, classified workers are guaranteed certain rehire rights that reward seniority when bringing workers back on after layoffs. Another section of the Education Code guarantees vacation days, accrued at the rate of 5/6 of a day for each month of work, to those employed for six months or longer. A similar section ensures that classified workers earn 12 sick days for every year on the job. Short-term employees, meanwhile, are denied all of these rights and many more. Action must be taken to ensure that, at a minimum, workers who have passed the aforementioned 75% cutoff are immediately awarded all rights and benefits guaranteed by current law.

AB 2142 (Garcia) clarifies that workers employed for more than 75% of the school year are automatically placed into the classified service. The bill further details that employers cannot skirt the law by bringing workers back in future years and continue refusing to award workers their earned rights and benefits as members of the classified service."

3. Opponent Arguments:

According to a coalition of statewide and regional education organizations and local educational agencies, including the Association of California School Administrators and the California School Boards Association:

"AB 2142 would drastically change the way that short-term or temporary classified positions are established and how those positions are filled. Regrettably, it establishes an arbitrary new set of thresholds and minimum days served, with carry-over between multiple years of service in subsequent academic years. AB 2142 also creates a rebuttable presumption that an employee reaches permanent status after completing 195 days of service, including all leave allowances.

...We are also concerned with the potential impact that AB 2142 would have on March 15 layoff notice requirements. Tying permanency to a percentage of an individual's rolling threshold makes alignment with the fixed layoff notice deadline extremely difficult.

...Finally, we believe this bill could result in the unintended consequence of experienced, trusted employees not being hired in future school years. Episodic hourly costs convert to multi-year salary and benefit obligations funded primarily by the general fund, with substantially increased per-employee costs and long-term fiscal exposure. Schools will not be

able to support the cost of returning employees becoming permanent and will seek other candidates to fill positions.”

4. Related/ Prior Legislation:

AB 1247 (Garcia, 2025) would have required that contracted employees at a school district or community college district (CCD) meet or exceed the minimum qualifications and standards required of direct hires with the same job functions, as prescribed, and would have required a district provide them with the same health care or retirement benefit contributions as a direct hire. The bills also would have required that a school district or CCD compensate classified employees for any time necessary to complete required training at the employee’s regular pay rate. *The Assembly Appropriations held the bill in committee.*

AB 2413 (Carrillo, Chapter 913, Statutes of 2022) prohibits K-12 and community college (CCC) districts from suspending without pay, suspending with a reduction in pay, demoting, or dismissing a permanent classified employee who timely requests a hearing on the charges against the employee before the district or hearing officer renders a decision on the matter except for certain conduct as specified.

AB 438 (Reyes, Chapter 665, Statutes of 2021) made specified changes related to layoff procedures for classified employees at school and community college districts including requiring district superintendents to provide notice no later than March 15 prior to the ensuing school year of the superintendent’s recommendation to the district governing board to initiate required layoff procedures.

SUPPORT

California Federation of Teachers (Co-Sponsor)
California School Employees Association (Co-Sponsor)
California Federation of Labor Unions
California Teachers Association
SEIU, California
Teamsters California

OPPOSITION

Association of California School Administrators
California Association of School Business Officials
California Association of Suburban School Districts
California County Superintendents
California School Boards Association
Central Valley Education Coalition
Chief Executive Officers of the California Community Colleges Board
Community College League of California
Kern County Superintendent of Schools
Small School Districts' Association

SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	AB 2150	Hearing Date:	July 1, 2026
Author:	Haney		
Version:	June 25, 2026		
Urgency:	No	Fiscal:	Yes
Consultant:	Alma Perez-Schwab		

SUBJECT: Employment: training requirements: opioid overdose reversals

KEY ISSUES

This bill 1) requires any employer operating in this state that requires cardiopulmonary resuscitation (CPR) certification training of its employees to also require those employees to take a separate online video module training on the use of naloxone, approved by the Emergency Medical Services Authority to increase the rate of opioid overdose reversals; and 2) requires the Division of Occupational Safety and Health to enforce this training requirement.

ANALYSIS

Existing law:

- 1) Under the California Occupational Safety and Health Act, protects workers on the job by authorizing the enforcement of effective standards in addition to requiring employers to:
 - a. Furnish employment and a place of employment that is safe and healthful for its employees.
 - b. Furnish and use safety devices and safeguards, and to adopt and use practices, means, methods, operations, and processes, which are reasonably adequate to render employment and the place of employment safe and healthful.
 - c. Do everything reasonably necessary to protect the life, safety, and health of employees. (Labor Code §6300)
- 2) Establishes the Division of Occupational Safety and Health (Cal/OSHA) within the Department of Industrial Relations (DIR) to, among other things, propose, administer, and enforce occupational safety and health standards. (Labor Code §6300 et seq.)
- 3) Establishes the Occupational Safety and Health Standards Board, within DIR, to promote, adopt, and maintain reasonable and enforceable standards that will ensure a safe and healthful workplace for workers. (Labor Code §140-147.6)
- 4) Establishes within the Health and Welfare Agency the Emergency Medical Services Authority (EMSA), which is responsible for the coordination and integration of all state activities concerning emergency medical services. (Health and Safety Code §1797.100)
- 5) Requires Cal/OSHA, before December 1, 2027, to submit a draft rulemaking proposal to revise Sections 1512 and 3400 of Title 8 of the California Code of Regulations to require first aid materials in a workplace to include naloxone hydrochloride or another opioid antagonist approved by the United States Food and Drug Administration to reverse opioid overdose and instructions for using the opioid antagonist. (Labor Code §6723)

- 6) Requires Cal/OSHA, in drafting the rulemaking proposal, to consider, and provide guidance to employers on, proper storage of the opioid antagonist in accordance with the manufacturer's instructions. (Labor Code §6723)
- 7) Requires the Occupational Safety and Health Standards Board to consider for adoption revised standards for the standards described in 4) above on or before December 1, 2028. (Labor Code §6723)
- 8) Provides that an individual who administers naloxone hydrochloride or another opioid antagonist approved by the United States Food and Drug Administration to reverse opioid overdose in a suspected opioid overdose emergency shall not be liable for civil damages as provided in Section 1799.113 of the Health and Safety Code if the conditions in that section are met. Furthermore, provides that an individual who is licensed as part of a local emergency medical services agency shall not be held responsible for administering nasal naloxone hydrochloride or another opioid approved antagonist to reverse opioid overdose, regardless of whether the individual was certified for that activity, unless the individual was acting as a paid first responder at the time of the action. (Labor Code §6723)

This bill:

- 1) Requires any employer operating in this state that requires cardiopulmonary resuscitation (CPR) certification training of its employees to also require those employees to take an online video module training on the use of naloxone approved by the Emergency Medical Services Authority, as specified, to increase the rate of opioid overdose reversals.
- 2) Requires that each employer pay for the costs of the training and ensure that it is separate from the existing CPR-training curriculum.
- 3) Requires the Emergency Medical Services Authority to review and approve the online video module trainings to ensure that the training includes, at a minimum, all of the following:
 - a. Recognition of the signs and symptoms of an opioid overdose.
 - b. Appropriate response actions, including emergency procedures.
 - c. Proper administration of naloxone or other opioid antagonists approved by the United States Food and Drug Administration.
- 4) Provides that the EMSA's role is limited to approving the training content for consistency with these minimum standards and shall not include administration, enforcement, or ongoing monitoring of employer compliance with these requirements.
- 5) Requires that Cal/OSHA enforce these training requirements in accordance with the division's existing authority.
- 6) Specifies that Cal/OSHA is not required to adopt new regulations or establish a new program to implement these provisions and that enforcement shall occur as part of the division's existing inspection and enforcement activities.
- 7) Provides that an employee who has completed CPR certification, first aid certification, or other training through a program that the EMSA determines includes training meeting or

exceeding the minimum standards included in this bill, shall be deemed to satisfy these requirements and the employer shall not be required to provide separate training to that employee, as specified.

- 8) Authorizes the EMSA to establish a process by which a training program, certifying body, or employer may seek a determination that an existing training meets or exceeds the minimum standards described in this bill and provides that nothing shall discourage or limit training that exceeds those minimum standards.
- 9) Specifies that the training required under these provisions is for educational and preparedness purposes only and does not create an independent duty, authorization, or expectation for any employee to administer naloxone.
- 10) Provides that nothing in these provisions shall be construed to expand, modify, or supersede any state or federal law, regulation, or licensing requirement governing scope of practice, medication administration, or delegation of clinical tasks, including, but not limited to, requirements applicable under Title 22 of the California Code of Regulations.
- 11) Provides that these provisions apply uniformly to all covered employers and that no employer classification, facility type, or program type shall be exempt from solely on the basis of existing clinical staffing levels or internal medication administration policies.

COMMENTS

1. Background:

Many people take prescription opioids, medications like oxycodone or fentanyl, to treat medical conditions, while others may use these opioids recreationally. Some opioid medications are especially potent which increases the likelihood of an unintentional overdose. Fentanyl, for example, is 50 to 100 times more potent than morphine.

According to Cal/OSHA's Opioid Hazard Alert, "fatalities due to unintentional overdoses have increased in the last several years; more than 100,000 people died of an overdose in the U.S. in 2022. Workplace overdoses are also on the rise. According to the US Department of Labor, Bureau of Labor Statistics, over 100 workplace deaths in California alone were due to unintentional overdose, accounting for 22% of all workplace fatalities occurring in California in 2022."¹

Opioid overdoses are especially high among industries or occupations where there are elevated rates of injuries and those with access to opioids, such as law enforcement, emergency response, and healthcare. A Centers for Disease Control and Prevention analysis of 47,810 drug overdose deaths recorded in the National Occupational Mortality Surveillance system from 2007 to 2012 showed higher mortality rates for 6 occupational groupings: construction, extraction, food preparation and serving, health care practitioners and technicians, health care support, and personal care and service.²

¹ https://www.dir.ca.gov/dosh/dosh_publications/Opioid-hazard-alert.pdf

² Harduar Morano L, Steege, AL, Luckhaupt, SE. Occupational patterns in unintentional and undetermined drug-involved and opioid-involved overdose deaths—United States, 2007–2012. MMWR Morb Mortal Wkly Rep. 2018;67(33):925–930.

Opioid overdose medications, such as naloxone (also known as Narcan), are available to immediately reverse the effects of an overdose, but only if they are administered in time. Naloxone is not harmful if it is given to a person who is not experiencing an opioid overdose. The Food and Drug Administration (FDA) has approved two forms of naloxone: a nasal spray and an injection. The nasal spray is available over-the-counter and does not require a prescription.

AB 1976 (Haney, Chapter 689, Statutes of 2024):

In an attempt to respond to the massive opioid crisis and abuse of fentanyl in California, the Legislature passed and the Governor signed, AB 1976 (Haney) last year requiring Cal/OSHA, on or before December 1, 2027, to submit a draft rulemaking proposal to revise existing standards on first aid materials to require all workplace first aid kits to include nasal spray naloxone hydrochloride or another approved opioid antagonist to reverse opioid overdose and include instructions for its use. This bill also required the Standards Board to consider adopting the revised standards on or before December 1, 2028.

This bill:

Building on the work started by the author with AB 1976, this bill would now require any employer operating in this state that requires CPR certification training of its employees to also require those employees to take a separate online video module training on the use of naloxone to increase the rate of opioid overdose reversals.

2. Need for this bill?

According to the author:

“This bill will enhance the bystander response rates by requiring employers whose employees must maintain CPR certification to also provide a brief opioid overdose response training module from the American Heart Association or the American Red Cross. Employers would be required to include this standalone opioid overdose prevention module alongside existing CPR-training procedures and would be responsible for covering the associated training costs. This will increase overall preparedness for overdoses occurring on and around work sites. This requirement will improve response times and lower the rates of preventable deaths and serious health consequences. Naloxone is a fast, safe, and effective overdose reversal medication that can restore breathing within 2-3 minutes. When administered promptly, it has been shown to reverse overdoses in 75-100% of cases.”

3. Proponent Arguments:

According to one of the sponsors, the American Red Cross and the California Association of Alcohol and Drug Program Executives:

“California continues to face a growing opioid overdose epidemic, affecting communities of all backgrounds. Many of these overdoses are happening in locations where staff are already CPR-trained and where employers must have naloxone in workplace first aid kits. At the same time, the crisis is disproportionately happening across our state’s youth populations, where CPR-certified staff are present. According to the CDPH, the rate of opioid overdose deaths among youth ages 10-19 increased by 407% between 2018 and 2020. Yet, there has been little effort to respond to this alarmingly high increase in overdose cases. Additionally, the CDC has found that 63% of opioid overdoses occur in public settings with more than

40% of these cases occurring where a bystander was nearby. To combat this crisis, providing naloxone training to public-facing staff members will save lives.

AB 2150 improves health outcomes, reduces emergency response wait times, and equips bystanders with ability to effectively assess overdose emergencies. With just a simple spray, this overdose reversal medication can restore breathing in just 2-3 minutes, enhancing overall health outcomes and ensuring Californians receive timely care when every second counts.”

4. Opponent Arguments:

None received.

5. Prior/Related Legislation:

AB 1976 (Haney, Chapter 689, Statutes of 2024) discussed above.

AB 1915 (Arambula) of 2024 would have required the State Department of Public Health to develop an opioid overdose training program and program toolkit, as defined, to be made available to public high schools for public high school pupils to be trained on how to identify and respond to an opioid overdose, including by administering a federally approved opioid overdose reversal medication, as provided. *AB 1915 was held under submission in the Assembly Appropriations Committee.*

AB 1841 (Weber, Chapter 942, Statutes of 2024) requires that the California Community Colleges (CCCs) and the California State University (CSU) make federally approved opioid overdose reversal medication available on campuses and in affiliated housing and to train specified individuals in a position to quickly respond in emergencies.

SB 10 (Cortese, Chapter 856, Statutes of 2023) requires, among other things, a comprehensive school safety plan, and the school safety plan of a charter school, for a school serving pupils in any of grades 7 to 12, inclusive, to include the development of a protocol in the event a pupil is suffering or is reasonably believed to be suffering from an opioid overdose.

SB 234 (Portantino, Chapter 596, Statutes of 2023) requires stadiums, concert venues, and amusement parks to maintain unexpired doses of an opioid antagonist on its premises and ensure that at least two employees are aware of the location and provides indemnification, as specified.

SB 472 (Hurtado, 2023) would have required each public school to maintain at least two doses of naloxone hydrochloride on its campus. *SB 472 was held under submission in Senate Appropriations Committee.*

AB 19 (Jim Patterson, 2023) would have required each school that has elected to make a school nurse or trained personnel available to maintain at least two doses units of naloxone hydrochloride or another opioid antagonist on its campus. *AB 19 was held under submission in Senate Appropriations Committee.*

AB 24 (Haney, 2023), among other things, would have required a bar, gas station, public library, or residential hotel that receives an opioid antagonist kit from the California

Department of Public Health to place the kit in an area of the facility that is readily accessible only by employees. Additionally, the bill would have provided immunity from civil liability to a person or facility for providing, or not providing, aid with the kit. The bill would have also prohibited an employer from requiring or prohibiting its employees to render aid with a kit. *AB 24 was held under submission in Assembly Appropriations Committee.*

SB 367 (Hurtado, Chapter 218, Statutes of 2022) requires the governing board of each community college district and the Trustees of the California State University, in collaboration with campus-based and community-based recovery advocacy organizations, to additionally provide, as part of established campus orientations, educational and preventive information provided by the State Department of Public Health about opioid overdose and the use and location of opioid overdose reversal medication to students at all campuses of their respective segments.

SUPPORT

American National Red Cross (Co-Sponsor)
California Association of Alcohol and Drug Program Executives (Co-Sponsor)
California Behavioral Health Association
Drug Policy Alliance
Everyday Responder Project
GLIDE
Health Officers Association of California
Young People in Recovery

OPPOSITION

None received

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SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	AB 2223	Hearing Date:	July 1, 2026
Author:	Lowenthal		
Version:	June 4, 2026		
Urgency:	No	Fiscal:	Yes
Consultant:	Emma Bruce		

SUBJECT: Department of Corrections and Rehabilitation: state contracts

KEY ISSUE

This bill requires the Department of Corrections and Rehabilitation (CDCR) to disclose to the exclusive representative of the affected bargaining unit specified information for each new contract or contract renewal entered into on or after January 1, 2027, for medical and mental health staffing.

ANALYSIS

Existing law:

- 1) Creates the state civil service that includes every officer and employee of the state except a limited number of specified, exempted officers and employees. Existing law also requires that the state make “permanent appointment and promotion in the civil service under a general system based on merit ascertained by competitive examination.” Case law and custom refer to this provision as the merit principle and it governs the administration of the state’s civil service system. (CA CONST. art. VII, §1 and §4)
- 2) Establishes the State Personnel Board (SPB) to enforce the civil service statutes and prescribe probationary periods and classifications, adopt other rules authorized by statute, and review disciplinary actions. (CA CONST. art. VII, §2 and §3)
- 3) Establishes the CDCR to administer the state prison system under the direction of the CDCR Secretary, and authorizes the secretary to, under certain circumstances, enter into contracts to provide housing, sustenance, supervision, and services, as provided, or to provide health care services. (Penal Code §5000 et seq.)
- 4) Establishes the State Civil Service Act to provide a comprehensive personnel system for the state in which appointments are based upon merit and fitness ascertained through practical and competitive examination (Government Code §18500)
- 5) Creates, under the Dills Act, a system of collective bargaining between the state and its employees’ exclusive representatives to negotiate for terms and conditions of employment (Government Code §3512 et seq.)
- 6) Provides for state acquisition of goods and services in contracts for services. (Public Contract Code §10335 et seq.)

- 7) Establishes strict standards for the use of personal services contracts to achieve cost savings. Among others, all of the following conditions must be met:
 - a) The contracting agency must clearly demonstrate that the proposed contract will result in overall cost savings to the state.
 - b) The contract does not cause the displacement of civil service employees.
 - c) The savings are large enough to ensure that they will not be eliminated by private sector and state cost fluctuations that could normally be expected during the contracting period.
 - d) The amount of savings clearly justify the size and duration of the contracting agreement.
 - e) The contract is awarded through a publicized, competitive bidding process.(Government Code §19130(a))
- 8) Provides that personal services contracting, for non-cost savings reasons, shall also be permissible when specified conditions are met, including when the services contracted are not available within civil service, cannot be performed satisfactorily by civil service employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the civil service system. (Government Code §19130(b))
- 9) Requires any state agency proposing to execute a personal services contract to achieve cost savings to notify the SPB of its intention. All organizations that represent employees who perform the type of work to be contracted and any person or organization which has filed with the SPB a request for notice shall be contacted, as specified, and given a reasonable opportunity to comment on the proposed contract. (Government Code §19131)
- 10) Authorizes any employee organization to request, within 10 days of being notified, the SPB to review any contract proposed to achieve cost savings. Upon such a request, the SPB shall review the contract, as specified. (Government Code §19131)
- 11) Requires the SPB, at the request of an employee organization that represents state employees, to review the adequacy of any non-cost savings proposed or executed contract. (Government Code §19132)
- 12) Provides that unless a non-cost savings personal services contract is necessary due to a sudden and unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services, the contract shall not be executed until the state agency proposing to execute the contract has notified all organizations that represent state employees who perform the type of work to be contracted. (Government Code §19132)
- 13) Authorizes the SPB to establish necessary standards and controls over DGS' approval of contracts to assure that the approval is consistent with the merit employment principles and requirements contained in Article VII of the California Constitution. The SPB shall have discretion to establish the substantive provisions of the standards. However, the SPB and DGS shall establish the specific procedures for contract review pursuant to such standards jointly. (Public Contracting Code §10337)

This bill:

- 1) Requires CDCR to disclose specified information for each new contract or contract renewal entered into on or after January 1, 2027, for medical and mental health staffing.
- 2) Requires the disclosure to include, but not be limited to, all of the following:
 - a) A description of the services provided, including the job title or function performed by contracted workers.
 - b) A statement identifying whether the contractor has been found liable, within the previous five years, for any labor law violations, including, but not limited to, violations of wage and hour laws, workplace safety laws, or unfair labor practice determinations, and a description of those violations.
 - c) The job title and classification used by the contractor for the contracted workers.
 - d) The minimum qualifications and professional credentials required of contracted workers, including licensure, certification, education, and experience requirements, as applicable.
 - e) The corresponding state civil service classification or classifications, if any, that customarily and historically perform the same or substantially similar work.
 - f) The bargaining unit or bargaining units that would represent the corresponding state civil service classification.
 - g) The number of contracted workers, reported by classification.
 - h) The total hours expected to be worked by contracted workers.
 - i) The full-time equivalent (FTE) value of the contracted labor.
 - j) The hourly rates paid to contracted workers.
 - k) The total contract value, including both of the following:
 - i. The annual contract amount.
 - ii. The cumulative contract amount over the life of the contract.
 - l) Administrative fees, vendor fees, or overhead charges paid pursuant to the contract.
 - m) Any emergency, premium, or expedited rates, including rates paid for last-minute staffing or urgent coverage.
 - n) The duration of the contract, including the original term and any renewal or extension options.
- 3) Requires CDCR to provide the disclosure in 2) to the exclusive bargaining representative or representatives of the affected bargaining unit or units at the time CDCR enters into or renews the contract.
- 4) Requires CDCR, beginning on March 1, 2028, and on or before March 1 of each year thereafter, to prepare and submit to the Legislature an annual report containing the information required in 2) for all medical and mental health staffing contracts that were in effect during the prior calendar year.

COMMENTS**1. Background:***State Personnel Board (SPB) and Personal Services Contracts*

When agencies use contracted personnel rather than civil service positions they enter into personal services contracts. Existing law establishes strict standards for the use of these contracts. Agencies can enter into a personal services contract to achieve cost savings or for

specified, non-cost-related reasons. Contracts intended to achieve cost savings are only permissible if 11 different conditions are satisfied. For example, contracts cannot cause the displacement of civil service employees. Non-cost savings personal services contracts are only permissible in a limited number of situations, such as when the services in question are not available within the civil service or cannot be performed satisfactorily by civil service employees. These standards exist to limit the state's reliance on contractors and to ensure civil service employees perform state work.

Any state agency proposing to execute a personal services contract must notify all organizations that represent state employees who perform the type of work covered by the contract. The SPB has the authority to review proposed contracts to ensure compliance with existing law. Upon request by an employee organization, the SPB must direct a state agency to transmit the proposed or executed contract for review. The SPB delegates the review of personal services contracts to its Executive Officer. However, if an employee organization requests it, the Executive Officer must grant the organization the opportunity to present its case against the contract and the reasons why the contract should be referred to the SPB for a hearing. Upon a showing of good cause by the organization, the Executive Officer must schedule the disputed contract for a hearing before the SPB. Contracts subject to review shall not become effective unless the SPB grants its approval.

Department of Corrections and Rehabilitation (CDCR)

CDCR's mental health system has struggled to employ an adequate number of qualified staff. As a result of this chronic deficiency and others, CDCR has faced litigation for over three decades contending that it has not provided adequate mental health care. This culminated in a federal court appointing a mental health receiver to take direct control over the prison mental health care system. Ongoing federal court orders mandate CDCR to reduce vacancies below 10 percent in five key classifications: psychiatrists, psychologists, licensed clinical social workers, recreational therapists, and medical assistants. In 2023, the court ordered the State to pay monthly fines for noncompliance with mandated mental health staffing levels. As of 2025, CDCR had incurred more than \$95 million in accumulated fines. When CDCR lacks sufficient onsite staff to fill its positions, it hires contractors known as registry staff. Tele-mental services are also used to supplement on-site providers.

2025 State Health Care Staffing Contracts Audit

In December 2025, the State Auditor released an audit examining staffing levels at three facilities: the Department of State Hospitals-Atascadero, which the Department of State Hospitals (DSH) oversees; the Porterville Developmental Center, which the Department of Developmental Services (DDS) oversees; and Salinas Valley State Prison, which CDCR oversees.¹ State and federal laws require each of the three facilities to provide medical and mental health care to the individuals they house. DSH, DDS, and CDCR have all been involved in litigation for failing to provide adequate mental health care staffing. The Auditor found that the facilities faced challenges when recruiting staff, including difficult working conditions, a local shortage of health care professionals, and competition with other public facilities, private hospitals, and contract staffing agencies. As a result of these challenges, vacancy rates for medical and mental health positions at each of the three facilities increased from fiscal years 2019–20 through 2023–24. These vacancy rates are not due to a lack of

¹ [State Health Care Staffing Contracts](#). California State Auditor. December 4, 2025.

*The entirety of this section of the analysis is based on information provided in the 2025 State Health Care Staffing Contracts Audit.

effort on the facilities' part; each have made significant efforts to recruit medical and mental health care professionals through online job advertisements and in-person or virtual recruiting events.

Although the three facilities overwhelmingly rely on state employees, rather than contract workers to provide care, they have increasingly relied on contract workers to ensure adequate staffing. For example, in fiscal year 2023-24 contract workers accounted for 62 of Salinas Valley's authorized 637 positions, or about 10 percent. However, in that same fiscal year the number of hours worked by contract workers increased. This increase in hours was particularly notable for contract workers covering nursing classifications. The auditor found that the facilities incur higher hourly costs for contract workers than for their state counterparts, even after accounting for the State's overhead and benefit costs. Contract workers generally have a shorter tenure than state employees. This is in part because facilities often use them to meet temporary rather than long-term needs.

The facilities require contract workers to have the same licenses and certificates and to meet the same or higher qualifications as those that the State requires for state employees in the same classifications.

The Auditor found that all three facilities and their respective departments realized significant vacancy savings from unfilled medical and mental health care positions. Over the six fiscal years of the audit period Atascadero accumulated \$247 million in savings, Salinas Valley accumulated \$188 million, and Porterville accumulated \$157 million. All three departments were unable to explain to the Auditor how they used the above specified savings.

None of the departments responsible for overseeing the three facilities has formally or specifically requested that facilities track, tabulate, and report their compliance with staffing minimums or developed a formal process for the facilities to do so. Without such oversight, the departments cannot be certain that their facilities are staffed appropriately for each shift to provide adequate medical and mental health care.

Among other recommendations, the Audit suggests requiring DSH, DDS, and CDCR to immediately require its facilities to establish a system to track, tabulate, periodically report, and make publicly available the following:

- Staffing levels by shift, including the individuals' classifications and whether they are state employees or contract workers.
- The number of shifts during which and the number of staff by which the facility fell short of its required shift-staffing minimums, as well as an explanation for why it missed the minimums.

Establishing such a system would ensure transparency, increase accountability, and allow adequate oversight.

2. Need for this bill?

According to the author:

“CDCR increasingly relies on private contractors to perform work that has historically been done by state civil service employees, particularly in medical and mental health classifications. However, policymakers and labor unions who represent the CDCR workforce currently lack consistent information about the size, cost, and scope of this contracted workforce.

Without standardized disclosure, it is difficult to determine:

- How many contracted workers are performing duties typically done by civil service employees
- The total cost of these contracts and associated vendor or administrative fees
- Whether vacancies in state positions are driving reliance on contractors
- Whether these contracts are temporary solutions or long-term substitutes for state employees

This lack of transparency makes it difficult for the Legislature to evaluate whether outsourcing is being used appropriately and whether investments in recruitment and retention of civil service employees could reduce costs and strengthen the state workforce.

AB 2223 addresses this gap by requiring CDCR to provide standardized disclosure of key information regarding contracts that substitute for civil service work. Hiring and retaining qualified civil service employees remains the most cost-effective and accountable way to provide essential public services. State employees are subject to rigorous hiring standards, professional oversight, and institutional training that support continuity of care and operational stability in correctional facilities. Ensuring transparency around contracting decisions will help policymakers evaluate workforce strategies that prioritize high-quality services while protecting responsible use of taxpayer resources.”

3. Proponent Arguments:

The co-sponsor of the measure, AFSCME, argues:

“CDCR has increasingly relied on private contractors to fill critical medical and mental health positions that have traditionally been performed by civil servants. While contracting may serve a limited, short-term role, the State currently lacks standardized and accessible information regarding the scope, cost, and duration of these contracts. This lack of transparency makes it difficult for the Legislature, employee representatives, and the public to evaluate whether outsourcing is being used appropriately or whether taxpayer dollars are being spent efficiently.

Recent findings by the California State Auditor underscore the urgency of this issue. The audit identified persistently high vacancy rates in key health care classifications and found that departments, including CDCR, have not made consistent or concerted efforts to assess staffing needs or evaluate the effectiveness of recruitment strategies. These gaps in workforce planning have contributed to an overreliance on contracted staff, who often cost more than comparable state employees and may not provide the same continuity of care or institutional knowledge...

AB 2223 addresses this problem by requiring CDCR to disclose key information when entering into or renewing contracts for work that is customarily and historically performed by civil service employees. This includes information related to contract costs, duration, staffing levels, worker classifications, contractor qualifications, and any labor law violations. The bill also requires that this information be provided to exclusive bargaining representatives and reported annually to the Legislature.”

SEIU Local 1000, also a co-sponsor of the measure, argues:

“Our SEIU Local 1000 members are just one part of the puzzle of providing care within CDCR facilities, and our labor siblings, like AFSCME and CAPT, are facing the same challenges within this system as our members: contracts/registry. CDCR has increasingly relied on contractors to complete work where civil service employees, like our Bargaining Units 17 and 20 workers, could complete the work instead.

These contracts do not have a standardized reporting requirement, and that is why we at SEIU Local 1000 choose to support this bill.”

4. Opponent Arguments:

None received.

5. Prior Legislation:

AB 2367 (Kalra, 2026) would require CDCR, DDS, CalVet, and DSH to provide, on a quarterly basis, specified information, by facility, of their state-run health facilities. *This bill is pending in the Senate Labor, Public Employment and Retirement Committee.*

AB 393 (Connolly, 2025) would have required CDCR and DSH to take specified actions, including preparing an analysis comparing the hourly cost of a contractor to a civil service Bargaining Unit 16 (BU-16) physician, before entering into a personal services contract to fill a BU-16 physician position. *This bill was vetoed by Governor Newsom, who stated the following:*

“While I am supportive of ideas to reduce state reliance on contractors, this measure circumvents the collective bargaining process and limits the ability of these departments to deliver critical services. The matters contemplated by this bill are more appropriately handled through the budget and labor negotiations processes.”

AB 339 (Ortega, Chapter 687, Statutes of 2025) required public agencies regulated by the Meyers-Milias-Brown Act to give a recognized employee organization no less than 45 days’ written notice regarding contracts to perform services that are within the scope of work of job classifications represented by the recognized employee organization.

AB 2557 (Ortega, 2024) would have required the governing bodies of local agencies that contract for certain services to, among other things, post contracts and related documents on the agency’s website and provide advance notice to the public agency’s affected workforce union representative. *This bill was held in the Senate Committee on Appropriations.*

AB 2860 (Arambula, 2023) would have required DSH and CDCR to only fill a vacant supervisor position overseeing healthcare employees in State Bargaining Units 16, 17, 18, 19, or 20, with a permanent full-time civil service employee. *This bill was held in Assembly Appropriations Committee.*

SB 422 (Pan, 2022) would have required DSH to establish, by January 1, 2024, a physician registry as a three-year pilot program for the Patton State Hospital to be maintained by DSH and composed of members of State Bargaining Unit 16, who may elect to join the registry. *This bill was vetoed by Governor Newsom.*

AB 657 (Cooper, 2021) would have prohibited specified professionals (generally medical personnel) employed under personal service contracts with state agencies from being under contract for a period that exceeds 365 consecutive days or 365 nonconsecutive days in a 24-month period. *This bill was amended into another issue area.*

AB 906 (Pan, Chapter 744, Statutes of 2013) prohibited a state agency from executing a personal services contract, except in specified sudden and unexpected situations, until it has certified that all employee organizations that perform the type of work being contracted out have been notified.

AB 149 (Lara, 2011) would have authorized a state department or agency, when the SPB either disapproves a personal services contract from being executed, or nullifies an executed personal services contract, to create and fill a limited-term civil service position for the equivalent number of hours for each contractor position requested in the submitted contract. *This bill was held in the Senate Committee on Appropriations.*

SUPPORT

American Federation of State, County and Municipal Employees (Co-sponsor)
Service Employees International Union Local 1000 (Co-sponsor)
American Federation of State, County and Municipal Employees, Local 2620
California Association of Psychiatric Technicians
California Federation of Labor Unions
Service Employees International Union California
Union of American Physicians and Dentists

OPPOSITION

None received

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SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	AB 2300	Hearing Date:	July 1, 2026
Author:	Arambula		
Version:	May 18, 2026		
Urgency:	No	Fiscal:	Yes
Consultant:	Jazmin Marroquin		

SUBJECT: Workforce development: applicable law

KEY ISSUE

This bill (1) exempts grants or subgrants awarded by the Employment Development Department (EDD), as defined, to the local workforce development boards (LWDBs), as specified, from state contracting requirements, the State Administrative Manual, and from review or approval of the Department of General Services (DGS); (2) requires that funds disbursed by EDD to LWDBs or the fiscal agents of local workforce development areas are subject to the same financial reporting, recordkeeping, and auditing requirements applicable to federal funds under the Workforce Innovation and Opportunity Act (WIOA), as specified; and (3) exempts workforce directives, bulletins, or other written guidance issued by the EDD to administer workforce development programs, as specified, from the rulemaking provisions of the Administrative Procedure Act (APA).

ANALYSIS

Existing federal law:

- 1) Establishes the Workforce Innovation and Opportunity Act (WIOA) to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. (29 USC §3101-3361)
- 2) Defines the designation of “fiscal agents” who, among other things, are responsible for ensuring fiscal integrity and accountability for expenditures of WIOA funds. (20 CFR § 679.420)

Existing state law:

- 1) Establishes the Employment Development Department (EDD) within the Labor and Workforce Development Agency (LWDA) and makes it responsible for administering the state's unemployment insurance, disability insurance, and workforce development programs. (Unemployment Insurance Code § 301 et seq.)
- 2) Creates the California Workforce Innovation and Opportunity Act to make programs and services available to individuals with employment barriers. (Unemployment Insurance Code §14000 et seq.)
- 3) Establishes the California Workforce Development Board (CWDB), under the purview of the LWDA, as the body responsible for assisting the Governor in the development, oversight,

and continuous improvement of California's workforce system, including its alignment to the needs of the economy and the workforce. (Unemployment Insurance Code §14010 et seq.)

- 4) Establishes the Consolidated Work Program Fund in the State Treasury, for the receipt of all moneys deposited pursuant to the federal WIOA, and requires moneys in the fund to be made available, upon appropriation by the Legislature, to EDD for expenditure consistent with the purposes of the federal WIOA and the State Plan. (Unemployment Insurance Code §14004.5 et seq.)
- 5) Requires the establishment of a local workforce development board (LWDB) in each local workforce development area of the state to, among other things, plan and oversee the workforce investment system. (Unemployment Insurance Code §§14200-14211)
- 6) Requires all contracts entered into by any state agency for the acquisition of goods or elementary school textbooks; services, whether or not the services involve the furnishing or use of goods or are performed by an independent contractor; the construction, alteration, improvement, repair, or maintenance of property, real or personal; or, the performance of work or services by the state agency for or in cooperation with any person, or public body, are void unless and until approved by the Department of General Services (DGS), as specified, and provides specified exemptions to this requirement. (Public Contract Code §10295)
- 7) Establishes the Administrative Procedure Act (APA), which requires state agencies to follow specific procedures for rulemaking, adjudications, and public participation. Key requirements include public notice, public comment periods, and review by the Office of Administrative Law (OAL). (Government Code §11340 et seq.)

This bill:

- 1) Defines the following:
 - a) "Fiscal agent" means the entity designated to serve as a local fiscal agent pursuant to Section 679.420 of Title 20 of the Code of Federal Regulations.
 - b) "Grants or subgrants" means allocations of both federal- and state-source funds awarded by EDD to LWDBs or the fiscal agents of local workforce development areas for the purpose of implementing workforce development programs administered by the department, treated as grants or subventions for public purposes.
- 2) Specifies that grants or subgrants, as defined, are exempt from the Public Contract Code, the State Administrative Manual, and are exempt from the review or approval of any division of the Department of General Services (DGS).
- 3) Requires all funds disbursed by the Employment Development Department (EDD) to local workforce development boards (LWDBs) or the fiscal agents of local workforce development areas to be subject to the same financial reporting, recordkeeping, and auditing requirements applicable to federal funds under WIOA. Provides that all records related to the disbursement and expenditure of these funds must be retained, as specified.

- a) Requires subrecipients to maintain separate accounting for each state grant code and utilize the EDD's automated reporting systems to ensure full accountability and transparency.
 - b) Specifies that this section will not be interpreted to limit any reporting, recordkeeping, or auditing requirements imposed by state law applicable to funds disbursed under this division.
- 4) Specifies that workforce directives, bulletins, or other written guidance issued by EDD to implement, interpret, or make specific the administration of workforce development programs under this division or federal law are not subject to the rulemaking provisions of the APA.
- a) Requires guidance issued pursuant to this section to be publicly available and to identify the statutory or federal authority upon which it is based.
 - b) Authorizes guidance issued pursuant to this section to be relied upon by EDD and LWDBs unless and until superseded by regulations adopted pursuant to the APA.

COMMENTS

1. Background:

Workforce development

The California Workforce Development Board (CWDB) is the state entity tasked with assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system. Among other things, the CWDB is tasked with developing, implementing, and modifying California's Unified Strategic State Plan (State Plan) to serve as the comprehensive framework and coordinated plan for the aligned investment of all federal and state workforce training and employment services funding streams and programs. CWDB works closely with local workforce development boards (LWDBs) to ensure statewide workforce efforts align with regional priorities and community needs.

The State has 45 LWDBs, each with their unique local context. Members of private sector business, organized labor, community-based organizations, local government agencies, and local education agencies comprise a LWDB's membership. EDD in partnership with LWDBs oversee America's Job Center of California (AJCC). AJCC is a one-stop shop for no-cost job and training services that helps connect employers with job openings to people who are looking for work. The AJCC is a network of local and state organizations, as well as private and public groups, working together to provide these services at no cost. Adults and displaced workers receive an initial assessment, job search and placement assistance, and career counseling at LWDBs.

Federal WIOA funds and state workforce funds

In 2014, the federal WIOA was signed into law, which was designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. WIOA-funded services include job search assistance, workforce preparation, career development services, and training services including both classroom and work-based learning opportunities. In addition to supporting job seekers, these programs help businesses

find the skilled workers they need by referring qualified job seekers and filling job orders, and through tailored work-based learning strategies.

As the Assembly Labor Committee analysis states, WIOA authorizes LWDBs to manage these federal funds and provide strategic direction for workforce initiatives. WIOA funding is passed from the federal government to states, and then to LWDBs. LWDBs also receive state workforce funding from the EDD and the CWDB through state-level programs such as the Workforce Accelerator Fund, High Road Training Partnerships and Breaking Barriers to Employment. When WIOA funding is disbursed by the federal government to the state, it is automatically distributed by the EDD to LWDBs through subgrant agreements.

In contrast, state workforce funds are treated as procurement contracts, requiring compliance with the Public Contract Code and approval by the DGS. State contracting law generally requires any contract entered into by a state agency for the acquisition of specified goods or services to be void unless and until approved by Department of General Services (DGS). The State Administrative Manual (SAM) is a resource for statewide policies, procedures, requirements and information. The SAM was created to provide management communication among state departments.

This bill, AB 2300, would exempt grants or subgrants awarded by EDD to LWDBs for workforce development programs from state contracting requirements and the State Administrative Manual, as well as exempting these grants or subgrants from the review or approval of DGS. This bill would instead require all funds disbursed by EDD to LWDBs or their fiscal agents to be subject to the same financial reporting, recordkeeping, and auditing requirements applicable to federal funds under the federal WIOA.

Workforce directives, bulletins, and other guidance issued by EDD and the APA

EDD issues Workforce Services Directives to LWDBs and other workforce partners to establish official policy and guidance for administering WIOA programs. EDD's Directives provide policy and guidance about various program requirements, funding, and activities to ensure state and federal compliance.

When adopting regulations, every department, division, office, officer, bureau, board or commission in the executive branch of the California state government must follow the rulemaking procedures in the Administrative Procedure Act (APA) and regulations adopted by the Office of Administrative Law (OAL), unless expressly exempted by statute from some or all of these requirements. The APA requirements are designed to provide the public with a meaningful opportunity to participate in the adoption of regulations or rules that have the force of law by California state agencies and to ensure the creation of an adequate record for the OAL and judicial review. The APA has certain specified time periods for proposal review that includes a minimum 45-day public comment period after notice of publication, and a mandatory 30 working day review by the OAL before filing. State agency response to comments received during the process can take multiple months. Regulations, once approved, are valid indefinitely.

This bill, AB 2300, would exempt EDD's Workforce Services Directives, bulletins, and similar written guidance to implement, interpret, or administer workforce development programs from the rulemaking provisions of the APA. The author argues that recent legal interpretations have required EDD to issue Workforce Services Directives through the APA rulemaking process. They argue that this process can take months or longer, limiting the

state's ability to provide timely operational guidance necessary to implement federal changes, respond to layoffs, and administer workforce programs effectively.

2. Need for this bill?

According to the author, "California's workforce development system is currently constrained by inconsistent administrative frameworks governing the distribution of workforce funds and the issuance of program guidance, which delays service delivery and limits system responsiveness.

Under existing practice, federal Workforce Innovation and Opportunity Act (WIOA) funds are distributed by the Employment Development Department (EDD) to Local Workforce Development Boards (LWDBs) through subgrant agreements, recognizing LWDBs as public partners implementing workforce programs. In contrast, state workforce funds are treated as procurement contracts, requiring compliance with the Public Contract Code and approval by the Department of General Services (DGS).

This distinction results in:

- Delayed distribution of workforce funds, particularly during layoffs and economic transitions
- Increased administrative burden and costs for both the state and local workforce boards
- Inconsistent treatment of similar workforce programs, depending on funding source
- Reduced ability for the workforce system to respond quickly to economic disruptions and employer needs

In addition, recent legal interpretations have required EDD to issue workforce directives through the Administrative Procedure Act (APA) rulemaking process. This process can take months or longer, limiting the state's ability to provide timely operational guidance necessary to implement federal changes, respond to layoffs, and administer workforce programs effectively.

Together, these administrative constraints create inefficiencies that hinder the timely and effective delivery of workforce services across California."

3. Proponent Arguments:

According to the sponsors of the bill, the California Workforce Association:

"Currently, California's workforce system operates under two different administrative structures. Federal Workforce Innovation and Opportunity Act (WIOA) funds are distributed through a streamlined subgrant process that typically delivers resources to local boards within 2 weeks to 2 months, while state workforce funds must comply with the Public Contract Code and require approval from the Department of General Services that can take 4 to 6 months to complete. This dual system creates unnecessary administrative burdens, increases costs, and delays the delivery of services to workers and employers.

AB 2300 addresses these challenges by authorizing a unified subgrant mechanism for both state and federal workforce development funds provided to local workforce development

boards. By aligning state processes with the existing federal model, this measure will reduce delays and allow workforce programs to operate more efficiently while maintaining transparency and accountability. State workforce funds disbursed under this unified structure would remain subject to the same financial reporting, recordkeeping, and auditing requirements that already apply to federal WIOA funds.

The bill also allows the Employment Development Department (EDD) to issue operational directives and guidance outside of the Administrative Procedure Act process when appropriate. Similar to the Department of Social Services “All County Letters”, this approach will enable EDD to communicate timely guidance to local boards in response to federal policy changes, economic disruptions, layoffs, or new legislative initiatives. Under the current APA process, a single directive could take 12 to 18 months to issue; under AB 2300, comparable guidance could be released in 4 to 8 weeks. By modernizing these processes, AB 2300 will improve the speed and effectiveness of workforce program delivery while preserving oversight, stakeholder engagement, and statewide consistency.”

4. Opponent Arguments:

None received.

5. Prior/Related Legislation:

AB 35 (Alvarez, 2025) would exempt the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, approved by the voters as Proposition 4, from the APA. *In the Assembly, pending concurrence in Senate amendments.*

AB 1270 (Eduardo Garcia, Chapter, 94, Statutes of 2015) made necessary changes to existing workforce development statutes to conform to the new federal guidelines under the WIOA while preserving core elements of California's workforce development policies. This bill updated statutory references to the Workforce Investment Act of 1998 to instead refer to the WIOA and make related conforming changes. This bill also renamed the California Workforce Investment Board (CWIB) the California Workforce Development Board and revised the membership of the board. Finally, this bill renamed the local boards as local workforce development boards and revised their duties consistent with the federal WIOA.

SB 118 (Lieu, Chapter 562, Statutes of 2013) required the former CWIB, now called CWDB, to incorporate specific principles into the State Plan that align the education and workforce investment systems of the state to the needs of the 21st century economy and promotes a well-educated and highly skilled workforce to meet the future workforce needs.

SB 698 (Lieu, Chapter 497, Statutes of 2011) required the Governor to establish, through the CWIB, standards for certification of high-performance local workforce investment boards, in accordance with specified criteria. The bill also required the Governor and the Legislature, in consultation with the CWIB, to reserve specified federal discretionary funds for high-performing local workforce investment boards.

SUPPORT

California Workforce Association (Sponsor)
Association of California Goodwills
City of Long Beach

County of Los Angeles

Redefine Alliance.

Sacramento Employment and Training Agency

South Bay Workforce Investment Board

OPPOSITION

None received

-- END --

SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	AB 2367	Hearing Date:	July 1, 2026
Author:	Kalra		
Version:	March 19, 2026		
Urgency:	No	Fiscal:	Yes
Consultant:	Emma Bruce		

SUBJECT: State employment: reporting: health facilities

KEY ISSUE

This bill requires the Department of Corrections and Rehabilitation (CDCR), the State Department of Developmental Services (DDS), the Department of Veterans Affairs (CalVet), and the State Department of State Hospitals (DSH) to provide, on a quarterly basis, specified staffing information for all their state-run health facilities.

ANALYSIS

Existing law:

- 1) Creates the state civil service that includes every officer and employee of the state except a limited number of specified, exempted officers and employees. Existing law also requires that the state make “permanent appointment and promotion in the civil service under a general system based on merit ascertained by competitive examination.” Case law and custom refer to this provision as the merit principle and it governs the administration of the state’s civil service system. (CA CONST. art. VII, §1 and §4)
- 2) Establishes the State Personnel Board (SPB) to enforce the civil service statutes and prescribe probationary periods and classifications, adopt other rules authorized by statute, and review disciplinary actions. (CA CONST. art. VII, §2 and §3)
- 3) Establishes the State Civil Service Act to provide a comprehensive personnel system for the state in which appointments are based upon merit and fitness ascertained through practical and competitive examination (Government Code §18500)
- 4) Establishes CalHR and vests it with the powers, duties, and authorities necessary to operate the state civil service system pursuant to Article VII of the California Constitution, the Government Code, the merit principle, and applicable rules duly adopted by the SPB. (Government Code §18500 et seq.)
- 5) Creates, under the Dills Act, a system of collective bargaining between the state and its employees’ exclusive representatives to negotiate for terms and conditions of employment (Government Code §3512 et seq.)
- 6) Provides for state acquisition of goods and services in contracts for services. (Public Contract Code §10335 et seq.)

- 7) Establishes strict standards for the use of personal services contracts to achieve cost savings. Among others, all of the following conditions must be met:
 - a) The contracting agency must clearly demonstrate that the proposed contract will result in overall cost savings to the state.
 - b) The contract does not cause the displacement of civil service employees.
 - c) The savings are large enough to ensure that they will not be eliminated by private sector and state cost fluctuations that could normally be expected during the contracting period.
 - d) The amount of savings clearly justify the size and duration of the contracting agreement.
 - e) The contract is awarded through a publicized, competitive bidding process.(Government Code §19130(a))
- 8) Provides that personal services contracting, for non-cost savings reasons, shall also be permissible when specified conditions are met, including when the services contracted are not available within civil service, cannot be performed satisfactorily by civil service employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the civil service system. (Government Code §19130(b))
- 9) Requires any state agency proposing to execute a personal services contract to achieve cost savings to notify the SPB of its intention. All organizations that represent employees who perform the type of work to be contracted and any person or organization which has filed with the SPB a request for notice shall be contacted, as specified, and given a reasonable opportunity to comment on the proposed contract. (Government Code §19131)
- 10) Authorizes any employee organization to request, within 10 days of being notified, the SPB to review any contract proposed to achieve cost savings. Upon such a request, the SPB shall review the contract, as specified. (Government Code §19131)
- 11) Requires the SPB, at the request of an employee organization that represents state employees, to review the adequacy of any non-cost savings proposed or executed contract. (Government Code §19132)
- 12) Provides that unless a non-cost savings personal services contract is necessary due to a sudden and unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services, the contract shall not be executed until the state agency proposing to execute the contract has notified all organizations that represent state employees who perform the type of work to be contracted. (Government Code §19132)
- 13) Authorizes the SPB to establish necessary standards and controls over DGS' approval of contracts to assure that the approval is consistent with the merit employment principles and requirements contained in Article VII of the California Constitution. The SPB shall have discretion to establish the substantive provisions of the standards. However, the SPB and DGS shall establish the specific procedures for contract review pursuant to such standards jointly. (Public Contracting Code §10337)

This bill:

- 1) Requires CDCR, DDS, CalVet, and DSH to provide, on a quarterly basis, the following information, by facility, of their state-run health facilities:
 - a) Vacancy data that includes the following information: classification title, classification code, full-time equivalent, total positions filled, and total vacant positions.
 - b) Overtime data that includes the following information: a monthly breakdown by classification to include voluntary and mandatory overtime, including a.m., p.m., and nocturnal shift hours, and total hours worked.
 - c) All registry contract data that includes the following information: bill rate and pay rate by classification, monthly total hours worked, and annual amount paid.
 - d) The number of shifts during which, and the number of staff by which, the facility fell short of its required shift staffing minimums, and an explanation for why it missed those minimums.
- 2) Requires the information in 1) to be provided to the relevant employee representatives and to be made available to the public on a publicly accessible website.

COMMENTS**1. Background:***State Personnel Board (SPB) and Personal Services Contracts*

When agencies use contracted personnel rather than civil service positions they enter into personal services contracts. Existing law establishes strict standards for the use of these contracts. Agencies can enter into a personal services contract to achieve cost savings or for specified, non-cost-related reasons. Contracts intended to achieve cost savings are only permissible if 11 different conditions are satisfied. For example, contracts cannot cause the displacement of civil service employees. Non-cost savings personal services contracts are only permissible in a limited number of situations, such as when the services in question are not available within the civil service or cannot be performed satisfactorily by civil service employees. These standards exist to limit the state's reliance on contractors and to ensure civil service employees perform state work.

Any state agency proposing to execute a personal services contract must notify all organizations that represent state employees who perform the type of work covered by the contract. The SPB has the authority to review proposed contracts to ensure compliance with existing law. Upon request by an employee organization, the SPB must direct a state agency to transmit the proposed or executed contract for review. The SPB delegates the review of personal services contracts to its Executive Officer. However, if an employee organization requests it, the Executive Officer must grant the organization the opportunity to present its case against the contract and the reasons why the contract should be referred to the SPB for a hearing. Upon a showing of good cause by the organization, the Executive Officer must schedule the disputed contract for a hearing before the SPB. Contracts subject to review shall not become effective unless the SPB grants its approval.

2025 State Health Care Staffing Contracts Audit

In December 2025, the State Auditor released an audit examining staffing levels at three facilities: the Department of State Hospitals-Atascadero, which the Department of State

Hospitals (DSH) oversees; the Porterville Developmental Center, which the Department of Developmental Services (DDS) oversees; and Salinas Valley State Prison, which CDCR oversees.¹ State and federal laws require each of the three facilities to provide medical and mental health care to the individuals they house. DSH, DDS, and CDCR have all been involved in litigation for failing to provide adequate mental health care staffing. The Auditor found that the facilities faced challenges when recruiting staff, including difficult working conditions, a local shortage of health care professionals, and competition with other public facilities, private hospitals, and contract staffing agencies. As a result of these challenges, vacancy rates for medical and mental health positions at each of the three facilities increased from fiscal years 2019–20 through 2023–24. These vacancy rates are not due to a lack of effort on the facilities' part; each have made significant efforts to recruit medical and mental health care professionals through online job advertisements and in-person or virtual recruiting events.

Although the three facilities overwhelmingly rely on state employees, rather than contract workers to provide care, they have increasingly relied on contract workers to ensure adequate staffing. For example, in fiscal year 2023–24 contract workers accounted for 62 of Salinas Valley's authorized 637 positions, or about 10 percent. However, in that same fiscal year the number of hours worked by contract workers increased. This increase in hours was particularly notable for contract workers covering nursing classifications. The auditor found that the facilities incur higher hourly costs for contract workers than for their state counterparts, even after accounting for the State's overhead and benefit costs. Contract workers generally have a shorter tenure than state employees. This is in part because facilities often use them to meet temporary rather than long-term needs.

The facilities require contract workers to have the same licenses and certificates and to meet the same or higher qualifications as those that the State requires for state employees in the same classifications.

The Auditor found that all three facilities and their respective departments realized significant vacancy savings from unfilled medical and mental health care positions. Over the six fiscal years of the audit period Atascadero accumulated \$247 million in savings, Salinas Valley accumulated \$188 million, and Porterville accumulated \$157 million. All three departments were unable to explain to the Auditor how they used the above specified savings.

None of the departments responsible for overseeing the three facilities has formally or specifically requested that facilities track, tabulate, and report their compliance with staffing minimums or developed a formal process for the facilities to do so. Without such oversight, the departments cannot be certain that their facilities are staffed appropriately for each shift to provide adequate medical and mental health care.

Among other recommendations, the Audit suggests requiring DSH, DDS, and CDCR to immediately require its facilities to establish a system to track, tabulate, periodically report, and make publicly available the following:

¹ [State Health Care Staffing Contracts](#). California State Auditor. December 4, 2025.

*The entirety of this section of the analysis is based on information provided in the 2025 State Health Care Staffing Contracts Audit.

- Staffing levels by shift, including the individuals' classifications and whether they are state employees or contract workers.
- The number of shifts during which and the number of staff by which the facility fell short of its required shift-staffing minimums, as well as an explanation for why it missed the minimums.

Establishing such a system would ensure transparency, increase accountability, and allow adequate oversight.

This bill

AB 2367 would require CDCR, DDS, CalVet, and DSH to provide, on a quarterly basis, specified staffing information to relevant employee representatives and the public. The author and sponsors cite the 2025 State Auditor Staffing Audit, described above, as the impetus for this bill. The committee notes that facilities overseen by CalVet were not included in the audit report.

2. Need for this bill?

According to the author:

“A 2025 report by the State Auditor reviewed staffing levels at the California Department of Corrections and Rehabilitation (CDCR), the Department of Developmental Services (DDS), and the Department of State Hospitals (DSH). Per the direction of the Joint Legislative Audit Committee, this report focused on three facilities: the Department of State Hospitals-Atascadero (Atascadero), which DSH oversees; the Porterville Developmental Center (Porterville), which DDS oversees; and Salinas Valley State Prison (Salinas Valley), which CDCR oversees.

The audit found that over five years, the vacancy rates at these three facilities had increased. To address the vacancies, the facilities had to increase their use of contract workers, which costs “more per hour than their state civil service counterparts, even after taking into account the non-wage costs associated with state civil service employment, such as benefits.” The contract workers also had two to three years less tenure than state employees in the same classification which resulted in a need for additional training and time. The Auditor also found that CDCR, DDS, and DSH do not have a formal process for reporting their shift-staffing minimums, ‘which are critical to ensuring the provision of legally required levels of care.’...

To promote transparency, accountability, and oversight, the Auditor recommended all three Departments immediately require their facilities to track and report publicly their staffing levels with explanations for any missed minimums. AB 2367 builds on the Auditor’s recommendation and will require state-run healthcare facilities to report on a quarterly basis their staff vacancy, overtime, and contract data, with additional breakdowns by classification, facility, and others as specified.”

3. Proponent Arguments:

SEIU California, a co-sponsor of the measure, argues:

“Across California, our members see firsthand the impact of chronic understaffing in public healthcare settings. Workers are routinely asked to take on excessive overtime, often on a mandatory basis, while departments increasingly turn to costly contract staff to fill gaps. This approach is not sustainable and undermines continuity of care, institutional knowledge, and patient outcomes.

The need for better oversight is well documented. A recent audit by the California State Auditor found that state facilities have experienced rising vacancy rates and have relied more heavily on contract workers, often at significantly higher cost than civil service employees. The audit also highlighted gaps in workforce planning and the lack of consistent data needed to evaluate staffing decisions.

AB 2367 responds directly to these concerns by establishing standardized reporting requirements. By ensuring the Legislature, the public, and stakeholders have access to consistent and detailed staffing data, this bill will support better decision-making and help the state prioritize investments in its civil service workforce.

For SEIU California, this is about accountability and making sure public dollars are used wisely. It is also about supporting the workers who keep these facilities running and ensuring Californians receive the quality care they deserve.”

SEIU Local 1000, also a co-sponsor, argues:

“Our SEIU Local 1000 members have continued to provide care within these healthcare facilities through years of excessive mandatory overtime, low staffing levels, and the COVID-19 pandemic. These departments listed have increasingly relied on contractors to complete work where civil service employees like our Bargaining Unit(s) 17 and 20 workers could be completing the work instead.

These contracts do not have a standardized reporting requirement, and that is why we at SEIU Local 1000 choose to support this bill. AB 2367 establishes reporting requirements and guidelines to ensure that the contracts state healthcare facilities have or will newly establish will be reported to the Legislature. This bill will also support our workers by providing information on vacancies and overtime data to help our members, the public, and the Legislature understand the staffing shortages present within the system. All this data will support the work of committees such as the Committee on Accountability Oversight.”

4. Opponent Arguments:

None received.

5. Prior Legislation:

AB 2223 (Lowenthal, 2026) would require CDCR to disclose specified information for each new contract or contract renewal entered into on or after January 1, 2027, for medical and mental health staffing. *This bill is pending in the Senate Labor, Public Employment and Retirement Committee.*

AB 393 (Connolly, 2025) would have required CDCR and DSH to take specified actions, including preparing an analysis comparing the hourly cost of a contractor to a civil service

Bargaining Unit 16 (BU-16) physician, before entering into a personal services contract to fill a BU-16 physician position. *This bill was vetoed by Governor Newsom, who stated the following:*

“While I am supportive of ideas to reduce state reliance on contractors, this measure circumvents the collective bargaining process and limits the ability of these departments to deliver critical services. The matters contemplated by this bill are more appropriately handled through the budget and labor negotiations processes.”

AB 339 (Ortega, Chapter 687, Statutes of 2025) required public agencies regulated by the Meyers-Milias-Brown Act to give a recognized employee organization no less than 45 days’ written notice regarding contracts to perform services that are within the scope of work of job classifications represented by the recognized employee organization.

AB 2557 (Ortega, 2024) would have required the governing bodies of local agencies that contract for certain services to, among other things, post contracts and related documents on the agency’s website and provide advance notice to the public agency’s affected workforce union representative. *This bill was held in the Senate Committee on Appropriations.*

AB 2860 (Arambula, 2023) would have required DSH and CDCR to only fill a vacant supervisor position overseeing healthcare employees in State Bargaining Units 16, 17, 18, 19, or 20, with a permanent full-time civil service employee. *This bill was held in Assembly Appropriations Committee.*

SB 422 (Pan, 2022) would have required DSH to establish, by January 1, 2024, a physician registry as a three-year pilot program for the Patton State Hospital to be maintained by DSH and composed of members of State Bargaining Unit 16, who may elect to join the registry. *This bill was vetoed by Governor Newsom.*

AB 657 (Cooper, 2021) would have prohibited specified professionals (generally medical personnel) employed under personal service contracts with state agencies from being under contract for a period that exceeds 365 consecutive days or 365 nonconsecutive days in a 24-month period. *This bill was amended into another issue area.*

AB 906 (Pan, Chapter 744, Statutes of 2013) prohibited a state agency from executing a personal services contract, except in specified sudden and unexpected situations, until it has certified that all employee organizations that perform the type of work being contracted out have been notified.

AB 149 (Lara, 2011) would have authorized a state department or agency, when the SPB either disapproves a personal services contract from being executed, or nullifies an executed personal services contract, to create and fill a limited-term civil service position for the equivalent number of hours for each contractor position requested in the submitted contract. *This bill was held in the Senate Committee on Appropriations.*

SUPPORT

Service Employees International Union California (Co-sponsor)
Service Employees International Union California Local 1000 (Co-sponsor)

OPPOSITION

None received

-- END --

SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	AB 2483	Hearing Date:	July 1, 2026
Author:	Elhawary		
Version:	June 24, 2026		
Urgency:	No	Fiscal:	Yes
Consultant:	Glenn Miles		

SUBJECT: Wildland firefighters: Formerly Incarcerated Firefighter Certification and Employment Program

KEY ISSUE

This bill requires CAL FIRE to develop and provide a certification, as specified, to incarcerated individuals upon their successful completion of training and experience in a California Conservation Fire Camp that serves to meet qualifications for entry-level Firefighter Level I positions with the Department of Forestry and Fire Protection (CAL FIRE) after release. The bill also requires CAL FIRE to award a hiring preference under Category Placement 2 to formerly incarcerated firefighters who have received the described certification.

ANALYSIS

Existing law:

- 1) Establishes CAL FIRE to oversee and administer programs related to forest health and fire prevention and response. (Public Resources Code, § 701.)
- 2) Establishes the California Conservation Corps (CCC) in the Natural Resources Agency and requires the CCC to implement and administer the conservation corps program. (Public Resources Code, § 14001.)
- 3) Establishes the California Conservation Camp program to be operated by CDCR in conjunction with Cal Fire to provide for training and use of inmates assigned to the camps to perform public conservation projects including, but not limited to, forest fire prevention and control, forest and watershed management, recreation, fish and game management, soil conservation, and forest and watershed revegetation. (Public Resources Code, § 4951.)
- 4) Defines “California Conservation Camps” as any camps established for the purpose of receiving wards or incarcerated individuals who are committed to the custody of CDCR, and in which the work projects performed by the wards or incarcerated individuals are supervised by CDCR employees. (Public Resources Code, § 4952.)
- 5) Requires CDCR to utilize incarcerated individuals and wards assigned to conservation camps in performing fire prevention, fire control, and other work of the department. (Public Resources Code, § 4953, subd. (a).)
- 6) Establishes the Education and Employment Reentry Program within the CCC and authorizes the director of CCC to enroll formerly incarcerated individuals who successfully served on a

California Conservation Camp program crew for participation as a program member by the Director of Cal Fire and the Secretary of CDCR. (Public Resources Code, § 14415.1.)

- 7) Authorizes any department, division, bureau, commission or other agency of the State of California or the Federal Government to use or cause to be used individuals confined in the state prisons to perform work necessary and proper to be done by them at permanent, temporary, and mobile camps to be established under this article. Authorizes the director to enter into contracts for the purposes of work, as specified. (Penal Code, § 2780.)
- 8) Creates the state civil service that includes every officer and employee of the state except a limited number of specified, exempted officers and employees. Existing law also requires that the state make “permanent appointment and promotion in the civil service under a general system based on merit ascertained by competitive examination.” Case law and custom refer to this provision as the merit principle and it governs the administration of the state’s civil service system. (CA CONST. art. VII, §1 and §4)
- 9) Establishes the State Personnel Board (SPB) to enforce the civil service statutes and prescribe probationary periods and classifications, adopt other rules authorized by statute, and review disciplinary actions. (CA CONST. art. VII, §2 and §3)
- 10) Provides that “every person shall be disqualified from holding any office of profit in this State who shall have been convicted of having given or offered a bribe to procure personal election or appointment”. (CA CONST. art. VII, §)
- 11) Requires that laws be made to exclude persons convicted of bribery, perjury, forgery, malfeasance in office, or other high crimes from office or serving on juries. The privilege of free suffrage shall be supported by laws regulating elections and prohibiting, under adequate penalties, all undue influence thereon from power, bribery, tumult, or other improper practice. (CA CONST. art. VII, §2 and §3)
- 12) Provides that a person is disqualified from holding any office upon conviction of designated crimes as specified in the Constitution and laws of the State. (Government Code § 1021)
- 13) Disqualifies, as specified, persons from holding office as a peace officer or being employed as a peace officer of the state, county, city, city and county, or other political subdivision, whether with or without compensation, and provides that they are disqualified from any office or employment by the state, county, city, city and county, or other political subdivision, whether with or without compensation, which confers upon the holder or employee the powers and duties of a peace officer. ((Government Code § 1029)

This bill:

- 1) Requires CAL FIRE, on and after July 1, 2027, in partnership with the Department of Corrections and Rehabilitation and the California Conservation Camp program, to implement a standardized process to ensure that all eligible individuals who successfully complete training in a department firefighting training camp while incarcerated receive official written certification reflective of the training completed before their release from prison.

- 2) Requires the certification to include certification commensurate with the individual's training towards meeting relevant minimum requirements for Fire Fighter 1 Classification or Forestry Technician Classification.
- 3) Requires CAL FIRE, on and after January 1, 2028, to award hiring preference to the qualified formerly incarcerated individual under Category Placement 2, if the individual applies for a CAL FIRE Fire Fighter 1 Classification position, or any successor classifications; has the required training; and meets the minimum qualifications for the position.
- 4) Requires CAL FIRE, on and after January 1, 2028, to count the duration of training, as specified, and field work as an incarcerated hand crew member, towards the Forestry Technician classification minimum qualifications if the individual applies for a CAL FIRE Forestry Technician Classification position, or any successor classifications.
- 5) Provides that this bill's provisions shall not preclude CAL FIRE from placing a formerly incarcerated person in a higher category for hiring based on their level of training, certification, employment history, or other factors.
- 6) Provides that this bill's provisions shall not preclude other state agencies with wildland management responsibilities from establishing similar pathways to support wildfire prevention, mitigation, and response efforts with priority hiring reserved for formerly incarcerated individuals who completed the FFT program.
- 7) Defines "qualified formerly incarcerated individual" to mean any formerly incarcerated individual who successfully completed training in a CAL FIRE firefighting training camp, has a valid certification pursuant to this bill's provisions, and has successfully participated as an incarcerated hand crew member in the California Conservation Camp program as described in Section 1203.4b of the Penal Code.

COMMENTS

1. Need for this bill?

According to the author:

"Without recognized certification, formerly incarcerated hand crew members face barriers to employment after release. Even with real-world experience and critical skills, they are often ineligible for jobs because they lack formal credentials.

This gap limits access to stable careers, despite these individuals having demonstrated the discipline and skills needed to protect lives and property.

Employment is a key factor in successful reentry. Without clear job pathways, many face uncertainty and a higher risk of returning to the system."

2. Proponent Arguments:

According to the Forestry and Fire Recruitment Program:

“AB 2483 does not lower standards or hand out unearned credentials. It creates a pathway for qualified individuals to meet industry requirements and continue serving our communities. California faces an ongoing wildfire crisis. We cannot afford to waste trained talent. AB 2483 ensures that incarcerated firefighters’ contribution doesn’t end when their sentence does—it allows them to continue building purpose and pride through service. Without a standard, industry-recognized certificate of participation, formerly incarcerated hand crew members face major barriers to employment. Despite their real-world firefighting experience, uncredentialed individuals face limited access to stable careers which undermine their ability to protect our statewide community.”

According to the Prosecutors Alliance Action:

“AB 2483 would provide certification to incarcerated individuals, prior to release, if they successfully complete training in California Conservation Fire Camp. These certifications would prepare hard-working and qualified individuals to apply for entry-level Firefighter Level I positions with the Department of Forestry and Fire Protection (CAL FIRE) after release. The bill would provide that CAL FIRE award hiring preference under Category Placement 2 to formerly incarcerated firefighters who have received the described certification. This does not move anyone to the front of the line, but it increases the likelihood that a person will be able to work as a firefighter post-release.

For decades, California's firefighting force has included incarcerated individuals who have served alongside CAL FIRE, local, state, out-of-state, and international firefighters. These brave individuals complete thorough training and hours of practical work, but do not receive the certification that would allow them to work for CAL FIRE after release.”

3. Opponent Arguments:

None received.

4. **Dual Referral:** The Senate Rules Committee referred this bill to the Senate Committee on Natural Resources and Water and the Senate Committee on Labor, Public Employment and Retirement.

5. Prior Legislation:

AB 1380 (Elhawary, 2025) would direct the Department of Forestry and Fire Protection (CalFire) to implement a standardized process to ensure that all individuals who complete the department’s firefighting training program while incarcerated receive official written certification before their release; require the Department to award hiring preference to qualified formerly incarcerated individuals; and track incarcerated individuals who have completed the firefighting training program and report to the Legislature the effectiveness of the program. *The Senate Appropriations Committee held this bill on its suspense file.*

AB 409 (Weber, 2023) would have required CAL FIRE, by January 1, 2026, to modify its training program for inmate firefighters serving as members of a hand crew through the California Conservation Camp program to provide participants the opportunity to earn a specified list of certifications related to firefighting, or the department’s equivalents of those certifications, while incarcerated. The bill would have, commencing January 1, 2027, required the department to update its application process for Type 1 Hand Crew positions to

recognize certifications earned by formerly incarcerated individuals through participation in the California Conservation Camp program. The bill would have also required the department to establish rules that provide eligibility priority rankings in the application, interview, and hiring process to formerly incarcerated individuals who earned certifications through participation in a California Conservation Camp program. *The Assembly Natural Resources Committee held this bill in committee.*

AB 1908 (Maienschein, 2021) would have allowed an incarcerated individual, who successfully participated and completed training in a program, as specified, as an incarcerated individual hand crewmember, to be eligible for a firefighter certificate provided by the CAL FIRE. This bill would state the intent as well as findings and declarations of the Legislature relating to incarcerated individuals receiving firefighting certificates. *The Assembly Natural Resources Committee held this bill in committee.*

SUPPORT

Forestry and Fire Recruitment Program (Co-Sponsor)
Prosecutors Alliance Action (Co-Sponsor)
All Hands Ecology
California Association of Local Conservation Corps
California Forestry Association
Center for Employment Opportunities
Central Coast Prescribed Burn Association
Ella Baker Center for Human Rights
Greater Sacramento Urban League
Indivisible CA StateStrong
Lake Tahoe Community College (fire Academy; Fire & Forestry; Rising Scholars Program)
Michelson Center for Public Policy
Redefine Alliance
UC Berkeley's Underground Scholars Initiative
Vera Institute of Justice

OPPOSITION

None received

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SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	AB 2550	Hearing Date:	July 1, 2026
Author:	Caloza		
Version:	April 16, 2026		
Urgency:	No	Fiscal:	Yes
Consultant:	Emma Bruce		

SUBJECT: Women in the construction industry: report

KEY ISSUE

This bill requires EDD to collect and report to the Legislature specified data related to the state's construction workforce, including the current number of construction workers who are women.

ANALYSIS

Existing law:

- 1) Establishes the Employment Development Department (EDD) within the Labor and Workforce Development Agency (LWDA). EDD is responsible for, among other duties, job creation activities and administering unemployment and disability insurance coverage and benefits. (Unemployment Insurance Code §301)
- 2) Requires EDD to operate the State-Local Cooperative Labor Market Information Program as a primary source for local and statewide occupational information. (Unemployment Insurance Code §10533)
- 3) Requires EDD, in conjunction with the Department of Social Services, DIR, the Department of Education, and the Chancellor's office of the California Community Colleges, to establish a systemwide policy of actively promoting the training of women in nontraditional occupations. Defines "nontraditional occupations" as any job classification in which not more than 25 percent of the employees are women, according to the statistics of the United States Department of Labor. (Unemployment Insurance Code §9602.5)
- 4) Establishes the Department of Industrial Relations (DIR) within the LWDA to foster, promote, and develop the welfare of the wage earners of California, to improve their working conditions, and to advance their opportunities for profitable employment. (Labor Code §50.5)
- 5) Establishes the Division of Apprenticeship Standards (DAS) within DIR to oversee apprenticeship programs and requires the Chief of the Division (Chief) to perform various functions to promote the welfare of apprentices. (Labor Code §3070 et seq.)
- 6) Provides for preapprenticeship and apprenticeship programs within DAS, sponsored by specific entities and employers, and requires the Chief to perform various functions with respect to apprenticeship programs and the welfare of apprentices. (Labor Code §3070 et seq.)

- 7) Requires DIR, upon appropriation by the Legislature, to establish a Women in Construction Priority Unit to coordinate and help ensure collaboration across DIR's divisions, and maximize state and federal funding to support women and nonbinary individuals in the construction workforce. (Labor Code §107.7.1)

This bill:

- 1) Requires EDD to collect all of the following data:
 - a) The current supply of construction workers who are women, by specialty.
 - b) The geographical distribution of construction workers who are women, by specialty.
 - c) The diversity of construction workers who are women, by specialty, including, but not limited to, data on race, ethnicity, and languages spoken.
 - d) The current and forecasted demand for construction workers, by specialty.
 - e) The training and educational capacity to produce trained, certified, and licensed construction workers, by specialty and geographical distribution, including, but not limited to, the number of state-registered preapprenticeship and apprenticeship slots, the number of enrollments, the attrition rate, and wait time to enter a program.
 - i. EDD shall work with the DAS to determine this capacity within state-registered construction preapprenticeship and apprenticeship programs as well as to determine the number of construction preapprentices and apprentices in any given year who are women.
- 2) Requires EDD, on or before July 1, 2027, and every three years thereafter, to transmit a report of the data collected pursuant to these provisions to the Legislature.
- 3) Requires EDD to post the report in 2) on its internet website.

COMMENTS

1. Background:

Women and Other Underrepresented Populations in the Trades

Careers in the building and construction trades offer a reliable pathway into the middle class. Journeypersons and apprentices enjoy high wages, as well as health and pension benefits. In California, an increasing demand for housing, infrastructure, and climate-resilient development has led to sustained investments in apprenticeship programs. In April 2026, for example, the State announced \$18.6 million in grants to support apprenticeship in the building and construction trades. The construction industry's urgent need for skilled workers creates opportunities to diversify its workforce. Nationally, women represent just 11 percent of the construction industry. Women make up an even smaller percentage (4.3 percent in 2025) of the hands-on trades jobs such as electricians, carpenters, laborers, and plumbers.¹ Other populations underrepresented in the building and construction trades include non-binary individuals, justice involved, at-risk youth and certain ethnic minorities.

¹ Labor Force Statistics from the Current Population Survey. 2025. Bureau of Labor Statistics.
<https://www.bls.gov/cps/cpsaat11.htm>

Women in Construction Priority Unit

As part of the 2022/2023 Budget Act, Governor Newsom signed into law legislation to create the Women in Construction Unit at DIR. The goal of the Unit is to support women and nonbinary individuals in entering the construction workforce. Among other things, the Unit was tasked with:

- Assisting and providing resources to women and nonbinary individuals including apprentices and journeypersons in the construction industry.
- Providing resources to employers and project owners to improve worksite culture and address barriers to employment.
- Developing materials and training for employers and unions to promote recruitment and retention.
- Leadership training to increase the upward mobility of women and nonbinary individuals in construction careers.

In addition to the Unit, a Women in Construction Advisory Committee was created to develop recommendations to diversify the construction workforce. The Advisory Committee is composed of representatives from certified collective bargaining agents who represent construction workers, construction industry employers, labor-management groups in the industry, and representatives from the Labor Commissioner's Office, Cal/OSHA, and the Department of Fair Employment and Housing.

Equal Representation in Construction Apprenticeship Grant (ERiCA Grant Program)

Using money appropriated in each of the Budget Acts from 2022 to 2025, the Unit established the ERiCA Grant Program. ERiCA grants seek to improve access to training and employment opportunities for underrepresented populations in construction trades throughout the state. Grantees can apply for 3 categories of funding:

- 1) Recruitment: Expanding recruitment efforts to be more inclusive of women and non-binary individuals to better facilitate their entry into construction careers,
- 2) Childcare: supportive resources for childcare and,
- 3) Worksite culture: mentoring and mental health support for apprentices and pre-apprentices and training for all on the worksite to better navigate the worksite interactions.

DAS awarded \$25 million in funds during the first round of the ERiCA grant program (2023-2025). The second round of grants is underway, with an expected performance period of June/July 2025- June 30, 2027. DAS awarded \$26,169,217 for this round.

EDD Workforce Services Branch and Labor Market Information Division

In addition to administering the state's unemployment benefits, EDD also administers a Labor Market Information Division (LMID). Through LMID, EDD collects, analyzes, and publishes statistical data and reports on California's labor force, industries, occupations, employment projections, wages and other important labor market and economic data. LMID does this work in conjunction with the US Bureau of Labor Statistics (BLS) through a federal-state cooperative program. LMID conducts local surveys and processes unemployment insurance records, which are then used by the BLS to create standardized national, state, and regional statistics.

This bill

AB 2550 would require EDD to collect and report to the Legislature specified data related to the state's construction workforce, including the current number of construction workers who are women, the number of state-registered preapprenticeship and apprenticeship slots, the number of enrollments, the attrition rate, and the wait time to enter a program. The bill would also require EDD to work with DAS to determine the capacity within state-registered preapprenticeship and apprenticeship programs as well as to determine the number of construction preapprentices and apprentices in any given year who are women.

2. Need for this bill?

According to the author:

“The construction industry has historically been male-dominated, limiting access and awareness of opportunities for women across California. Nationally, women hold approximately 10 percent of construction trade jobs and apprenticeships, despite accounting for more than half of the United States population. Although careers in construction offer strong career pathways and economic mobility that support families and strengthen the State's economy, women remain significantly underrepresented in the field...

Expanding opportunities for women in construction will require stronger training pipelines, better access to apprenticeship and educational programs, and more accessible information to understand workforce needs and barriers to entry. Improving data collection related to women in construction can help legislators, educators, and workforce development leaders assess current workforce needs and forecast future demand.

As it stands, there is no comprehensive statewide dataset that extensively analyzes the supply, geographic distribution, diversity, labor demand, and training pipeline programs for women in construction. Without this data, legislators and workforce development leaders lack the necessary information to create effective plans and strategies that address workforce shortages and expand access to opportunities in the field.”

3. Proponent Arguments:

The sponsor of the measure, Women in Non Traditional Employment Roles, argues:

“**AB 1980 (Caloza)** establishes the California Women's Pre-Apprenticeship and Stipend Program, a critical investment in workforce equity and economic mobility...

AB 2550 (Caloza) complements these efforts by strengthening the data infrastructure needed to inform policy and workforce development strategies. Currently, California lacks comprehensive, statewide data on women in construction, limiting the ability of policymakers, educators, and workforce leaders to effectively address gaps in participation and training pipelines. AB 2550 would require the collection of critical data on workforce supply, geographic distribution, diversity, and training capacity, providing the insights necessary to build more inclusive and responsive workforce systems.

Without this data, efforts to expand opportunities for women remain fragmented and less effective. With it, California can better align training programs with labor market needs, identify barriers to entry, and ensure resources are directed where they are most needed.

Together, AB 1980 and AB 2550 create a powerful, complementary framework: one bill invests directly in women's access to training and careers, while the other ensures the state has the data necessary to sustain and scale those efforts. This dual approach is essential to building a more equitable, skilled, and resilient workforce."

4. Opponent Arguments:

None received.

5. Prior Legislation:

AB 1980 (Caloza, 2026) would direct DIR, upon appropriation by the Legislature, to establish the Equal Representation in Construction Apprenticeships Grant Program (ERiCA Grant Program) to increase equitable access to building and construction career pathways for women, nonbinary individuals, and underrepresented populations in California. *This bill is pending in the Senate Appropriations Committee.*

SB 101 (Committee on Budget and Fiscal Review, Chapter 4, Statutes of 2025) among other provisions, appropriated \$14,993,000 to support the Women in Construction Priority Unit within DIR.

AB 107 (Gabriel, Chapter 22, Statutes of 2024) among other provisions, appropriated \$15 million to support the Women in Construction Priority Unit within DIR.

SB 105 (Committee on Budget and Fiscal Review, Chapter 862, Statutes of 2023) among other provisions, appropriated \$15 million to support the Women in Construction Priority Unit within DIR.

SB 154 (Committee on Budget and Fiscal Review, Chapter 43, Statutes of 2022) among other provisions, appropriated \$60 million to DAS and required it to be used, in part, to support the Women in Construction Priority Unit within DIR; provided that it is the intent of the Legislature that \$15 million be provided on an ongoing basis to support this unit.

SB 191 (Committee on Budget and Fiscal Review, Chapter 67, Statutes of 2022) among other provisions, required DIR to establish a Women in Construction Priority Unit to coordinate and help ensure collaboration across DIR's divisions, and maximize state and federal funding to support women and nonbinary individuals in the construction workforce.

SB 1115 (Skinner, 2022) would have required, upon appropriation by the Legislature, the DIR to establish a Women in Construction Priority Unit to coordinate and help ensure collaboration across the DIR's divisions and maximize state and federal funding to support women and non-binary individuals in the construction workforce. This bill was held in the Assembly Appropriations Committee.

AB 133 (Committee on Budget, Chapter 143, Statutes of 2021) among other things, required the Department of Health Care Access and Information to work with the EDD's LMID, state licensing boards, and state higher education entities to collect, to the extent available, specified data related to the current supply of and forecasted demand for health care workers.

SUPPORT

Women In Non Traditional Employment Roles (Sponsor)
Contractors State License Board
Equal Rights Advocate
Grid Alternatives
Rising Sun Center for Opportunity

OPPOSITION

None received

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SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	AB 2634	Hearing Date:	July 1, 2026
Author:	Zbur		
Version:	April 14, 2026		
Urgency:	No	Fiscal:	Yes
Consultant:	Jazmin Marroquin		

SUBJECT: Workforce development: High road training partnerships: scoring preference

KEY ISSUE

This bill requires the California Workforce Development Board (CWDB) to provide a scoring preference to an applicant that is a bona fide labor-management cooperation committee, as defined, or an entity applying on their behalf, when awarding grants for a high road training partnership (H RTP) program or any successor program, as specified.

ANALYSIS

Existing federal law:

- 1) Permits, pursuant to the Labor Management Cooperation Act of 1978, the establishment of plant, area, and industrywide labor management committees (JLMCs), which have been organized jointly by employers and labor organizations representing employees in that plant, area, or industry, as specified. (29 U.S.C. §175a)
- 2) Establishes labor management committees for the purpose of improving labor management relationships, job security, organizational effectiveness, enhancing economic development, or involving workers in decisions affecting their jobs including improving communication with respect to subjects of mutual interest and concern. (29 U.S.C. §175a)
- 3) Establishes the Workforce Innovation and Opportunity Act (WIOA) to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. (29 USC §3101-3361)

Existing state law:

- 1) Creates the California Workforce Innovation and Opportunity Act to make programs and services available to individuals with employment barriers. (Unemployment Insurance Code §14000 et seq.)
- 2) Establishes the California Workforce Development Board (CWDB), under the purview of the Labor and Workforce Development Agency (LWDA), as the body responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce system, including its alignment to the needs of the economy and the workforce. (Unemployment Insurance Code §14010 et seq.)

- 3) Requires CWDB to assist the Governor with developing and continuously improving the statewide workforce investment system, including the following:
 - a) Developing standards, procedures, and criteria for defining high road employers, high road jobs, high road workforce development, and high road training partnerships in California, in accordance with lessons learned from the board's ongoing high road workforce development initiatives, as specified.
 - b) The administration, promotion, and expansions of, as well as field assistance for, high road training partnerships, as defined. (Unemployment Insurance Code §14013)
- 4) Requires CWDB to collect and report program and outcome data for its high road workforce programs, as specified. (Unemployment Insurance Code §14014)
- 5) Defines "high road training partnership" as an initiative or project that models strategies for developing industry-based, worker-focused training partnerships, including labor-management partnerships. High road training partnerships operate via regional, industry- or sector-based training partnerships comprised of employers, workers, and their representatives including organized labor, community-based organizations, education, training, and social services providers, and labor market intermediaries. High road training partnerships demonstrate job quality standards and employment practices that include, but are not limited to, the following:
 - a) Provision of comparatively good wages and benefits, relative to the industry, occupation, and labor market in which participating workers are employed.
 - b) Payment of workers at or above local or regional living wage standards as well as payment at or above regional prevailing wage standards where such standards exist for the occupations in question.
 - c) A history of investment in employee training, growth, and development.
 - d) Provision of opportunities for career advancement and wage growth.
 - e) Safe and healthy working conditions.
 - f) Consistent compliance with workplace laws and regulations, including proactive efforts to remedy past problems.
 - g) Adoption of mechanisms to include worker voice and agency in the workplace. (Unemployment Insurance Code §14005(s))
- 6) Requires the establishment of a local workforce development board (LWDB) in each local workforce development area of the state to, among other things, plan and oversee the workforce investment system. (Unemployment Insurance Code §§14200-14211)

This bill:

- 1) Requires the CWDB to, when awarding grants for a high road training partnership (H RTP) program or any successor program, provide a scoring preference to an applicant that meet either of the following criteria:
 - a) The applicant is a bona fide labor-management cooperation committee.
 - b) The applicant is an entity applying on behalf of a bona fide labor-management cooperation committee and submits written authorization from that committee as part of its application.

- 2) Requires CWDB to determine the amount of the scoring preference, as specified, and incorporate that preference into program guidelines and grant solicitations.
- 3) Specifies that this does not require CWDB to award a grant to an applicant solely on the basis of the specified preference.
- 4) Defines “bona fide labor-management cooperation committee” as an entity established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) that is jointly established and administered by one or more employers and one or more labor organizations for the purpose of improving labor-management relations, workforce training, job security, organizational effectiveness, enhancing economic development, and involving workers in decisions affecting their jobs.

COMMENTS

1. Background:

Workforce development

The California Workforce Development Board (CWDB) is the state entity tasked with assisting the Governor in the development, oversight, and continuous improvement of California’s workforce investment system. Among other things, the CWDB is tasked with developing, implementing, and modifying California’s Unified Strategic State Plan (State Plan) to serve as the comprehensive framework and coordinated plan for the aligned investment of all federal and state workforce training and employment services funding streams and programs. CWDB works closely with local workforce development boards (LWDBs) to ensure statewide workforce efforts align with regional priorities and community needs.

The State has 45 LWDBs, each with their unique local context. Members of private sector business, organized labor, community-based organizations, local government agencies, and local education agencies comprise a LWDB’s membership. EDD in partnership with LWDBs oversee America’s Job Center of California (AJCC). AJCC is a one-stop shop for no-cost job and training services that helps connect employers with job openings to people who are looking for work. The AJCC is a network of local and state organizations, as well as private and public groups, working together to provide these services at no cost. Adults and displaced workers receive an initial assessment, job search and placement assistance, and career counseling at LWDBs.

HRTPs

According to CWDB, a “High Road Training Partnership” (HRTP) refers to an initiative or project that models strategies for developing industry-based, worker-focused training partnerships, including labor-management partnerships. HRTP projects operate via regional, industry, or sector-based training partnerships that include employers, workers, and their representatives including organized labor, community based organizations, education, training, and social services providers, and labor market intermediaries. HRTPs demonstrate job quality standards and employment practices that include, but are not limited to, the following:¹

¹ “High Road Training Partnerships Grant Solicitation.” CWDB, April 12, 2025, https://cwdb.ca.gov/wp-content/uploads/sites/43/2025/04/HRTP_2025_RFA_4.18.25_FINAL_ACCESSIBLE.pdf.

- Provision of comparatively good wages and benefits relative to the industry, occupation, and labor market in which participating workers are employed.
- Payment of workers at or above local or regional living wage standards as well as payment at or above regional prevailing wage standards where such standards exist for the target occupations in question.
- A history of investment in employee training, growth, and development.
- Provision of opportunities for career advancement and wage growth.
- Safe and healthy working conditions.
- Consistent compliance with workplace laws and regulations, including proactive efforts to remedy past problems.
- Adoption of mechanisms to include worker voice and agency in the workplace.

There are various successful HRTPs, including the Hospitality Training Academy (HTA), which focuses on addressing the needs of employers and workers in the hospitality, food service, and leisure and tourism industries. According to the UCLA Labor Center and CWDB, “HTA partners with industry leaders who have specialized knowledge, education, training, and workforce development expertise to shape strategies to recruit and upskill workers in the hospitality sector. HTA relies on its deep understanding of the changing nature of hospitality work to provide new and incumbent workers with the skills they need to adapt to those changes. For over 13 years, HTA has been an expert in the Los Angeles hospitality industry. As a non-profit and the training arm for UNITE HERE Local 11, HTA establishes labor-management partnerships that provide job training for workers in the union and for more than 160 affiliated employers. HTA partners with employers, community-based organizations, educational institutions, and other workforce development agencies to launch initiatives focused on serving low-income, underserved, and underrepresented populations in Los Angeles and Orange Counties and the State of Arizona.”²

In 2017, CWDB launched the High Road Training Partnership (HRTTP) initiative, an eighteen-month program designed to establish a workforce development framework in which partnerships of industry leaders—employers, workers, and union and worker organizations representatives—work together to achieve a dual goal: creating opportunities for economic prosperity for high road employers and achieving equity for their workers.³ Through a \$10 million investment from the CWDB, an HRTTP was developed in each of eight sectors: healthcare, hospitality, transit, freight, water and wastewater, building operations, public sector, and transportation, distribution and logistics. The grant that each convening organization received was used to form, refine, and expand the partnerships.

HRTTP grant program

There have been several HRTTP grants awarded to applicants to increase access to existing high road jobs and create pathways for workers seeking job growth with high road employers in various industries over the last few years.⁴ The HRTTPs 2025 Grant program continues LWDA’s commitment to increase access to existing high road jobs for underserved

² Ana Luz Gonzalez-Vasquez, Magaly Lopez, and Saba Waheed. “The High Road to Hospitality.” UCLA Labor Center, June 2019, <https://cwdb.ca.gov/wp-content/uploads/sites/43/2019/11/High-Road-to-Hospitality-11-25-2019.pdf>.

³ Ana Luz Gonzalez-Vasquez and Magaly N. Lopez. “The High Road to Economic Prosperity,” UCLA Labor Center, May 2021, https://labor.ucla.edu/wp-content/uploads/2021/05/Eval_FINAL-REPORT-2.pdf.

⁴ For a detailed list of all the HRTTP grants, please visit CWDB’s grant details page: <https://cwdb.ca.gov/cwdb-home/grant-information/grant-details/>

populations and create pathways for workers seeking job growth with high road employers.⁵ In late 2025, CWDB announced seven awardees were granted more than \$18 million in funding under the H RTP 2025 grant program.⁶ Additionally, 10 awardees were granted more than \$24 million in funding under the H RTP 2024-25 Healthcare Grant Program.⁷ In Mid-2026, CWDB announced \$8 million was awarded to 14 awardees in under the High Road Construction Careers (HRCC) 2026 Grant Program.⁸

Labor management committees

Labor management committees are joint worker-management partnerships, established pursuant to the federal Labor Management Cooperation Act of 1978. Labor management committees aim to improve communication and working relationships between labor and management, provide workers and employers with opportunities to explore joint approaches to problems, and develop ways to increase productivity and promote economic development. They are organized jointly by employers and labor organizations within a particular plant, area, or industry.

This bill

This bill, AB 2634, requires CWDB to provide a scoring preference to an applicant that is a bona fide labor-management cooperation committee, or is an entity applying on behalf of a bona fide labor-management cooperation committee, when awarding grants for H RTP programs. This bill defines a bona fide labor-management cooperation committee to be an entity established pursuant to the federal Labor Management Cooperation Act of 1978, as described above.

This bill requires that CWDB determines the amount of the scoring preference and incorporates that preference into program guidelines and grant solicitations. It also specifies that this does not require CWDB to award a grant to an applicant *solely* on the basis of the preference.

2. Need for this bill?

According to the author, “At its inception, H RTP was designed to operate through employers and unions, inverting existing workforce models and upskilling incumbent workers through training and certification aligned with the High Road standards of equity, job quality, and climate resilience. High Road Training Partnerships (H RTPs) bring employers and workers, through their unions, to the same table to jointly solve workforce challenges. This collaboration allows industries to respond in real time to major shifts such as automation, climate transitions, and evolving skill demands. [...]

Quality “High Road” jobs deliver family-sustaining wages, comprehensive benefits (health insurance, pensions), and safe working conditions. “High Road” jobs are the backbone of a

⁵ “H RTP 2025 Grant Program.” CWDB, <https://cwdb.ca.gov/cwdb-home/grant-information/hrtp-2025-grant-program/>

⁶ “High Road Training Partnership H RTP 2025 Award Announcement.” CWDB, Nov. 26, 2025, https://cwdb.ca.gov/wp-content/uploads/sites/43/2025/12/H RTP_2025-Award-Announcement.pdf

⁷ “High Road Training Partnerships 2024-25 Healthcare Grant Program Award Announcement,” CWDB, https://cwdb.ca.gov/wp-content/uploads/sites/43/2025/02/H RTP-HC-Award-Announcement_FINAL.pdf, <https://cwdb.ca.gov/cwdb-home/grant-information/hrtp-hc-grant-program/>

⁸ “High Road Construction Careers 2026 Round One: Award Announcement” CWDB, May 12, 2026, <https://cwdb.ca.gov/wp-content/uploads/sites/43/2026/05/HRCC-2026-Award-Announcement.pdf>

strong middle class — creating pathways out of poverty, raising wages, and improving lives for working people.

At a time of rapid economic transformation driven by automation, climate transition, and shifting labor markets, California’s ability to remain competitive depends on how effectively it aligns workforce development with real industry needs.

AB 2634 aligns High Road funding requirements with California’s vision for a true “High Road” workforce by strengthening the High Road Training Partnerships (HRTPs) funding requirements to ensure workforce investments lead to good-paying, high-quality jobs. [...]

When labor and management co-invest in workforce development, the result is stronger industries, a more resilient workforce, and a more competitive California economy. This proposal protects and scales this approach, ensuring workforce investments lead to stronger industries, better jobs, and a more competitive California economy.”

3. Proponent Arguments:

According to Building Skills Partnership, “By protecting proven labor-management partnerships, this measure leverages the power of Collective Bargaining Agreements (CBAs) to tie training investments directly to real wage increases, job ladders, and safety standards. When unions and employers jointly design curriculum, they create a resilient system where worker skills reflect actual industry demand rather than theoretical pipelines; furthermore, as these partnerships raise standards in union settings, they create a "competitive-up" effect that pressures non-union employers to improve conditions, effectively lifting the floor for entire sectors across California.

Today, we are at a critical inflection point. Recent shifts toward "business-first" models with limited connection to job quality weaken one of California’s most effective workforce tools. As workforce investments recalibrate toward high-wage sectors, we risk abandoning workers in industries essential to our economy— including janitorial, hospitality, airport services, security, and food service. Without intentional public investment, incumbent workers in these sectors cannot access upskilling because traditional funding formulas (like ETP) skew toward higher-wage occupations.

AB 2634 responds to this challenge by advancing a High Road framework that shifts the focus from individual deficits to system-level solutions—expanding access to good jobs, improving job quality, and investing in employers who treat workers as assets.”

4. Opponent Arguments:

None received.

5. Prior/Related Legislation:

AB 338 (Solache, Chapter 532, Statutes of 2025) required CWDB to allocate appropriated funds to the Los Angeles County Department of Economic Opportunity for workforce strategies, such as HRTPs, among other things, to ensure a skilled and sufficient workforce for the scale of rebuilding and recovery of areas in the counties of Los Angeles and Ventura impacted by the 2025 wildfires, as specified.

SB 822 (Durazo, 2023) would have required the Department of Industrial Relations and the CWDB, within LWDA, to collectively be responsible for among other duties, creating high road evaluation metrics, consulting with stakeholders, and providing for meaningful public input on the development and evaluation of high road evaluation metrics. The bill would require CWDB to also assist in developing standards, procedures, and criteria for high road contracting and high road procurement, as specified. *This bill was vetoed by Governor Newsom.*

SB 779 (Becker, Chapter 223, Statutes of 2021) amended the list of “earn and learn” programs by specifying that an “earn and learn” program includes transitional jobs, as described in the federal WIOA, and subsidized employment with an employer of record, which may include, but not be limited to, an employment social enterprise, as defined, or a worker cooperative, as defined, particularly for individuals with barriers to employment.

SB 700 (Durazo, 2021) would have established the High Road Employment Program to assist state agencies in complying with specified High Road Employment Plan requirements and with appropriate planning, inclusive decision making, and fair disbursement of community and worker support resources. It also would have required each bidder for a contract with the state, as a condition of eligibility for such a contract, to submit a High Road Employment Plan to the Department of General Services that includes certification, under penalty of perjury, that all workers are properly classified, as specified, and that includes certain job information. *This bill died in the Assembly Appropriations Committee.*

SUPPORT

Building Skills Partnership
California Community Foundation
California Federation of Labor Unions
California Immigrant Policy Center
California State Council of Service Employees International Union
Center for Caregiver Advancement
Hospitality Training Academy
Miguel Contreras Foundation
SEIU California
SEIU UHW & Joint Employer Education Fund
Working Partnerships USA

OPPOSITION

None received

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