Bill No:	SB 8	**Hearing Date:**	March 26, 2025
Author:	Ashby		
Version:	December 2, 2024		
Urgency:	No	**Fiscal:**	No
Consultant:	Jazmin Marroquin		

SUBJECT: Peace officers: injury or illness: leaves of absence

KEY ISSUE

This bill adds park rangers in Sacramento County who experience a work-related injury or illness to the list of employees eligible for a limited paid leave of absence of up to one year, also known as ‘4850 leave,’ instead of workers’ compensation temporary disability benefits.

ANALYSIS

Existing law:

1) Establishes a comprehensive system of workers' compensation that provides a range of benefits for an employee who suffers from an injury or illness that arises out of and in the course of employment, regardless of fault. This system requires all employers to insure payment of benefits by either securing the consent of the Department of Industrial Relations to self-insure or by obtaining insurance from a company authorized by the state. (Labor Code §§3200-6002)

2) Establishes within the workers’ compensation system temporary disability indemnity and permanent disability indemnity, which offer wage replacement equal to *two-thirds of a specified injured employee’s average weekly earnings* while an employee is unable to work due to a workplace illness or injury. The current minimum benefit is $252.03 per week and the maximum is $1,680.29 per week.[1] (Labor Code §§4653-4656)

3) Provides that specified public law enforcement employees who are employed on a regular full-time basis, regardless of their period of services, and who experience a work-related injury or illness, are entitled to an enhanced temporary disability benefit: *paid leave of absence of up to one year* instead of workers’ compensation temporary disability indemnity. This is referred to as “4850 leave.” If the employee retires on permanent disability, they may receive 4850 leave until they obtain a permanent disability pension. Employees eligible for 4850 leave are:

   a. City police officers.
   b. City, county, or district firefighters.
   c. Sheriffs.
   d. Officers or employees of any sheriff’s offices.

[1] DWC Announces Temporary Total Disability Rates for 2025, State of California Department of Industrial Relations, October 16, 2024, https://www.dir.ca.gov/DIRNews/2024/2024-90.html

e. Inspectors, investigators, detectives, or personnel with comparable titles in any district attorney's office.
f. County probation officers, group counselors, or juvenile services officers.
g. Officers or employees of a probation office.
h. Peace officers under Section 830.31 of the Penal Code employed on a regular, full-time basis by a county of the first class.
i. Lifeguards employed year round on a regular, full-time basis by a county of the first class or by the City of San Diego.
j. Airport law enforcement officers under subdivision (d) of Section 830.33 of the Penal Code.
k. Harbor or port police officers, wardens, or special officers of a harbor or port district or city or county harbor department under subdivision (a) of Section 830.1 or subdivision (b) of Section 830.33 of the Penal Code.
l. Police officers of the Los Angeles Unified School District. (Labor Code §4850)

4) Excludes city police officers, or city, county, or district firefighters employed by the City and County of San Francisco from the provisions of 4850 leave. (Labor Code §4850)

5) Similarly provides the following employees up to one year paid leave of absence while disabled as a result of injury incurred during work, instead of workers' compensation disability payments:

   a. Peace officers and firefighters of the Department of Justice, law enforcement officers employed by the Department of Fish and Wildlife, and harbor police officers employed by the San Francisco Port Commission (Labor Code §4800);
   b. Sworn members of the California Highway Patrol who become disabled by a single injury, excluding disabilities that are the result of cumulative trauma or cumulative injuries (Labor Code §4800.5);
   c. Firefighting and prevention service members of a University of California fire department (Labor Code §4804.1);
   d. Law enforcement at the University of California Police Department (Labor Code §4806) and;
   e. CalFIRE employees (Bargaining Unit 8). If the injury is a severe burn as determined by the director, the CalFIRE employee is provided *up to three years* of paid leave of absence as a result of injury incurred during work, instead of workers' compensation disability payments. (Labor Code §4811)

6) Provides that the following persons are peace officers, as specified, and are therefore entitled to 4850 leave:

   a. Police officers of Los Angeles County, as defined;
   b. A person designated by a local agency as a park ranger who is regularly employed and paid in that capacity, if the primary duty is the protection of park and other property of the agency and the preservation of the peace therein;
   c. A peace officer of the Department of General Services of the City of Los Angeles, as defined.
   d. A housing authority patrol officer employed by the housing authority of a city, district, county, or city and county, or employed by the police department of a city and county, as defined. (Penal Code §830.31)

This bill:

1) This bill adds park rangers in Sacramento County who experience a work-related injury or illness to the list of regular, full-time employees eligible for a limited paid leave of absence of up to one year instead of workers' compensation temporary disability benefits.

2) This bill makes legislative findings and declarations as to the necessity of a special statute for park rangers employed in the County of Sacramento.

COMMENTS

1. Background

Workers Compensation

Workers' compensation temporary disability (TD) indemnity benefits are payments injured employees get if they lose wages due to a work-related injury that prevents them from doing their usual job while recovering. Injured employees are entitled to TD benefits equal to two-thirds of their average weekly wages. Replacing two-thirds of wages during the period an employee is off work is designed to make the employee whole, since workers' compensation benefits are not subject to social security or income taxes. TD benefits are capped at $1,680.29 per week, so employees with higher wages may not receive two-thirds their salary, but because the benefit is not taxed, employees generally receive an adequate disability benefit while they are recovering.

Purpose of 4850 leave

Certain public safety classifications receive workers' compensation benefits that other employees do not receive, including "4850 leave," which grants up to one year of full salary instead of the regular method for calculating temporary disability benefits. Because these benefits are paid due to disability, they are not subject to either state or federal taxes. Subsequently, the injured peace officer takes home more in weekly benefits than they normally would earn while working. Once 4850 leave benefits are exhausted, if the employee is still temporarily disabled, they are eligible to receive workers' compensation TD. In most cases, TD will not be paid beyond 104 weeks.

Park rangers in Sacramento County

Park rangers who obtain peace officer's standards training, among various other duties, provide public safety services at California's parks and other public properties and are often the first responders for medical, fire, and other emergencies. For instance, Sacramento park rangers have the same level of authority as a county sheriff or a city police officer and have completed extensive training at the Sheriff's Academy. They enforce Regional Parks-specific county ordinances and California Vehicle, Penal and Health and Safety Codes within all County Regional Parks. According to the author, "Sacramento County park rangers have made over 633 arrests this year alone, including 171 felony arrests. In fact, some counties rely on deputy sheriffs or police officers to fill their park ranger positions."

Currently, only park rangers in Los Angeles County are afforded 4850 benefits.

2. Need for this bill?

According to the author:

"Despite county and special district park rangers across the state performing a number of peace officer duties and oftentimes facing similar risks, they are not given the same workers' compensation and disability protections granted to other law enforcement agencies under the California Labor Code.

Currently, only Los Angeles County's park rangers receive worker's compensation and disability protections. The reason for that is due to language in the Labor Code specifying population, LA County is the only county that qualifies for these protections.

Further emphasizing both the overlap in responsibilities and disparity in protections, Sacramento County park rangers have made over 633 arrests this year alone, including 171 felony arrests. In fact, some counties rely on deputy sheriffs or police officers to fill their park ranger positions."

3. Staff Comments

Current law affords park rangers in the county of the first class 4850 benefits. But what is the county of first class?

Government Code Section 28020 specifies that "the population of the counties of this state is hereby ascertained and determined to be and is as follows:" It provides a chart in statute that lists the 58 counties and ranks them from highest population to lowest population. This list is based on outdated data. Los Angeles County is ranked first with a population of just over seven million individuals. Alpine County is listed last with a population of 484 individuals.

Although the population size has changed, Government Code Section 28085 states that "whenever a new federal census is taken, the counties are not by operation of law reclassified under such census, but remain in the old classification until reclassified by the Legislature."

In this case, Labor Code Section 4850 uses the phrase 'county of first class' when referring to Los Angeles County. In order to stay uniform and consistent throughout existing code, the author may wish to make a technical amendment to the bill to specify that 4850 leave will be expanded to park rangers in Sacramento County, *or a county of the eighth class*, as suggested below.

> Labor Code 4850 (b) (13) ~~**Park rangers of the County of Sacramento.**~~ **Peace officers under Section 830.31 (b) of the Penal Code employed on a regular, full-time basis by a county of the eighth class.**

4. Proponent Arguments

According to the sponsors, Sacramento County Criminal Justice Employee Union (SCCJEU):

"This bill extends workers' compensation and disability protection to the Sacramento County Park Rangers who are California peace officers employed on a regular, full-time basis by Sacramento County.

SCCJEU oversees a variety of county peace officers in Sacramento County, including park rangers, whose duties often times overlap with those of law enforcement and other peace officer entities who are already rightfully afforded these protections. Extending these protections to Sacramento County Park Rangers ensures parity across the state and protects many of these frontline workers."

5. **Opponent Arguments:**

A coalition of groups that oppose this bill, including the California Association of Joint Powers Authorities, writes:

"We oppose this expansion of salary continuation benefits as proposed by SB 8 because no objective evidence has been offered to demonstrate that this enhanced benefit is necessary, and there has been no evaluation of the cost. Local agencies typically fund workers' compensation costs out of their general fund, and every dollar spent on special enhanced benefits must come from somewhere. Funding for the special benefits proposed by SB 8 will come out of local government budgets, and our coalition would respectfully urge the legislature to fully examine both the justification and cost related to the proposal.

Prior legislation that similarly expanded application of this benefit has been met with caution. Specifically, AB 346 (Cooper, 2019) expanded the application of salary continuation benefits to officers at local school districts and county offices of education. That bill was vetoed by Governor Newsom, who observed that the bill 'would significantly expand 4850 benefits that can be negotiated locally through the collective bargaining process.' Similarly, in 2024 Governor Newsom vetoed SB 1058 (Ashby), a version of SB 8 that would have applied statewide, once again noting that the bill would have local fiscal impacts and that this could be negotiated locally through collective bargaining. We believe the same logic applies here."

6. **Prior Legislation:**

SB 1058 (Ashby, 2024, Vetoed) would have granted existing enhanced paid leave of absence provision, commonly referred to as 4850 leave benefits to all park rangers employed on a regular full-time basis by a county or special districts. This bill, SB 8, narrows the expansion to only park rangers in Sacramento County. *This bill was vetoed.* In his veto message, Governor Newsom stated:

> "While I appreciate the author's intent and do not take lightly the important public service provided by park rangers, this bill would significantly expand 4850 benefits that can be negotiated locally through the collective bargaining process. Many local governments face financial stress, and the addition of a well-intentioned but costly benefit should be left to local entities, particularly given the potential fiscal impact on counties and special districts that employ park rangers. For this reason, I cannot sign this bill."

AB 346 (Cooper, 2019, Vetoed) would have granted 4850 leave benefits to police officers employed by a school district, county office of education, or community college district. *This bill was vetoed.*

AB 2047 (Chávez, 2018) was identical to AB 1451 (Chávez, 2015). *This bill was held in the Assembly Committee on Insurance.*

AB 1451 (Chávez, 2015, Vetoed) would have extended 4850 leave to lifeguards employed year-round on a regular, full-time basis by the City of Oceanside. *This bill was vetoed.* In his veto message, Governor Brown stated:

> "Recent data indicates public employers' costs related to this disability leave benefit have increased at an alarming rate. These cost figures give me pause to extend this benefit further in state law. If the City of Oceanside wishes to offer full salary in lieu of temporary disability for one year to their regular full-time lifeguards, they are free to do so by means of the collective bargaining process. Eligibility for this benefit is best left to the City of Oceanside, not the state, to determine."

SB 559 (Block, 2015) would have authorized 4850 leave for specified lifeguards employed by the City of Imperial Beach. *This bill was held in the Assembly Committee on Insurance.*

SB 527 (Block, Chapter 66, Statutes of 2013) extended 4850 leave to full-time lifeguards employed by the City of San Diego.

AB 2397 (Solorio, 2010, Vetoed) would have authorized a public agency and a peace officer to mutually agree to extend a leave of absence with full pay applicable to the public safety officer injured on the job beyond the one year authorized by law for up to one additional year. *This bill was vetoed.* In his veto message, Governor Schwarzenegger stated:

> "I appreciate and value the duties of public servants who perform difficult and dangerous tasks that risk their lives. However, as we have seen with the current pension crisis, there is often an inclination to add special benefits and compensation to unsustainable levels. I am unwilling to facilitate this lack of fiscal responsibility by creating potentially new costs for public entities administering the public's money."

AB 1227 (Feuer, Chapter 389, Statutes 2009) removed the requirement that safety officers can only be eligible for 4850 leave if they belong to a public retirement system and instead only required that the safety officers be employed on a regular, full-time basis.

AB 419 (Lieber, 2007, Vetoed) was essentially identical to AB 1227 (Feuer, 2009). *This bill was vetoed.*

SUPPORT

Sacramento County Criminal Justice Employees Union (Sponsor)
California Fraternal Order of Police
PAT Hume, Sacramento County Supervisor, District 5
Sacramento County Deputy Sheriff's Association
Sacramento County District Attorney
Sacramento County Supervisor Patrick Kennedy
Sacramento County Supervisor Rich Desmond

OPPOSITION

California Association of Joint Powers Authorities
California Coalition on Workers Compensation
Public Risk Innovation, Solutions, and Management (PRISM)

-- END --

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

Bill No:	SB 20	**Hearing Date:**	March 26, 2025
Author:	Menjivar		
Version:	March 13, 2025		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Emma Bruce		

SUBJECT: Occupational safety: fabrication activities on stone slab products

KEY ISSUE

This bill addresses worker safety in the stone fabrication industry by, among other things, 1) prohibiting the use of "dry methods" in fabrication; 2) establishing worker training and fabrication shop certification requirements; 3) prohibiting suppliers from providing slabs to unlicensed people and entities; and 4) creating an online database to track violations of health and safety orders.

ANALYSIS

Existing law:

1) Requires, under the California Occupational Safety and Health Act, an employer to:

   a. Furnish employment and a place of employment that is safe and healthful.
   b. Furnish and use safety devices and safeguards, as well as adopt and use practices, means, methods, operations, and processes that 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 et seq.)

2) Establishes the Labor and Workforce Development Agency (LWDA) to serve California workers and businesses by improving access to employment and training programs; enforcing California labor laws to protect workers and create an even playing field for employers; and administering benefits that include workers' compensation, unemployment insurance, disability insurance, and paid family leave. (Government Code §15550 et seq.)

3) Establishes DIR in the 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)

4) Establishes within DIR the Division of Labor Standards Enforcement (DLSE) under the direction of the LC, and empowers the LC to ensure a just day's pay in every work place and to promote justice through robust enforcement of labor laws. (Labor Code §79-107)

5) Establishes apprenticeship and preapprenticeship programs in various trades and requires the Chief of the Division of Apprenticeship Standards (DAS) within DIR to approve such programs in any trade in the state, city, or geographic area whenever the apprentice training needs justify the establishment. (Labor Code §3070-3098)

6) Establishes the Division of Occupational Safety and Health (known as Cal/OSHA) within DIR to, among other things, propose, administer, and enforce occupational safety and health standards. (Labor Code §6300 et seq.)

7) Establishes the Occupational Safety and Health Standards Board (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)

8) Requires the Board to adopt standards for carcinogens at least as restrictive as the federal requirements for use of carcinogens promulgated under Section 6 of the Occupational Safety and Health Act of 1970. (Labor Code §9020)

9) Requires the Board to adopt one or more standards requiring each employer which uses any carcinogen, including asbestos and vinyl chloride, to submit a written report regarding the use or any incident which results in the release of a potentially hazardous amount of a carcinogen into any area where employees may be exposed. (Labor Code §9030)

10) Prohibits an employee from being laid off or discharged for refusing to perform work in violation of prescribed safety standards, where the violation would create a real and apparent hazard to the employee or his or her fellow employees. Any employee who is laid off or discharged in violation of this right shall have a right of action for lost wages for the time the employee is without work as a result of the layoff or discharge. (Labor Code §6311)

Existing State Regulations:

11) Require covered employers to develop, among other things, exposure controls, a written exposure control plan, employee communication and training, respirator protection, and employee exposure monitoring to protect employees from respirable crystalline silica (RCS). (CCR, Title 8, §5204)

This bill:

1) Makes various findings and declarations regarding silicosis and its associated health impacts.

Definitions

2) Defines "department" as the Department of Industrial Relations (DIR) and provides that "Director" is the Director of DIR.

3) Defines "division" as the Division of Occupational Safety and Health (Cal/OSHA).

4) Defines "certification" as a slab solid surface product fabrication activity certification to engage in fabrication activities that is issued to a fabrication shop by the department pursuant to these provisions.

5) Defines "dry methods" as the undertaking of fabrication activities without the use of effective wet methods that effectively suppress dust.

6) Defines "effective wet methods" as suppressing dust by one of the methods identified below, which ensure that water covers the entire surface of the work object where a tool, equipment, or machine contacts the work object:

   a. Applying a constant, continuous, and appropriate volume of running water directly onto the surface of the work object. When water flow is integrated with a tool, machine, or equipment, water flow rates shall equal or exceed manufacturer recommendations and specifications to ensure effective dust suppression.
   b. Submersing the work object under water.
   c. Water-jet cutting or using high-pressure water to cut material.

7) Defines "fabrication activities" as the machining, crushing, cutting, drilling, abrading, abrasive blasting, grinding, chiseling, carving, gouging, polishing, buffing, fracturing, intentional breaking, or intentional chipping of slab solid surface products. Excludes onsite construction work covered by Section 1532.3 of Title 8 of the California Code of Regulations.

8) Defines "fabrication shop" as a location where fabrication activities are undertaken. Excludes facilities where slab solid surface products are manufactured, including, but not limited to, quarries, concrete manufacturing facilities, or tile manufacturing facilities.

9) Defines "respirable crystalline silica (RCS)" as quartz, cristobalite, or tridymite contained in airborne particles that are determined to be respirable by a sampling device designed to meet the characteristics for respirable-particle-size-selective samplers specified in the Air Quality – Particle Size Fraction Definitions for Health-Related Sampling in Report 7708 completed by the International Organization for Standardization in 1995.

10) Defines "slab solid surface product" as a hard stone-like substance, including, but not limited to, artificial, engineered, or natural stone, such as granite or marble, that is used for countertop installation or customization.

11) Defines, for purposes of 10), above, "artificial stone" as any reconstituted, artificial, synthetic, composite, engineered, or manufactured stone.

Slab Fabrication Activity Account

12) Establishes the Slab Fabrication Activity Account (Account) in the Occupational Safety and Health Fund.

13) Requires all fees, penalties, or other moneys collected by the department under this chapter to be deposited in the Account and specifies moneys in the account may be expended by DIR, upon appropriation of the Legislature, to administer these provisions.

Fabrication Activities

14) Prohibits any person or entity engaged in fabrication activities from using dry methods and instead requires the use of effective wet methods.

15) Provides that a violation of 14), above, is grounds for an immediate order prohibiting continued fabrication activities by Cal/OSHA and may be grounds for additional fines and

penalties, as determined by Cal/OSHA or the Director. These violations may be reported to the Division of Labor Standards Enforcement (DLSE).

16) Provides that notwithstanding any provision of Division 5 of the Labor Code to the contrary, a violation of 14) above is not a crime.

Training

17) Requires DIR, on or before July 1, 2026, to consult with representatives of approved apprenticeship programs to adopt a training curriculum regarding the safe performance of fabrication activities.

18) Requires the training curriculum to cover applicable safety and health standards and include classroom instruction and supervised hands-on activities.

19) Authorizes an approved apprenticeship program to provide the training curriculum and requires DIR to approve alternative providers if approved apprenticeship programs do not offer programs sufficient to meet the needs of the industry.

20) Provides that it is the intent of the Legislature that DIR enact regulations or update existing regulations related to these provisions to further develop the training program described in 17), above, and consult and confer with representatives of approved apprenticeship programs, applicable trade associations, and affected slab solid surface product producers, manufacturers, and fabricators during the regulatory process.

21) Requires on July 1, 2027, an owner or operator of a fabrication shop, any individual that will employ another individual to perform work on the shop floor of a fabrication shop, and any individual that will perform fabrication activities to be enrolled in or have completed the training curriculum described in 17), above, before that fabrication activity or employment begins.

22) Requires the owner or operator of a fabrication shop to pay for the costs of the training curriculum of its employees.

23) Requires DIR to certify an individual who has completed the approved training curriculum immediately upon completion.

24) Provides that above training provisions do not apply to an individual who is enrolled in, or who has graduated from, an apprenticeship program that covers fabrication activities and is approved by the Division of Apprenticeship Standards (DAS).

Application and Certification Process

25) Requires DIR, on or before January 1, 2027, to do all of the following:

    a. Develop an application and certification process for a "slab solid surface product fabrication activity" certification to authorize fabrication shops to engage in fabrication activities. Provides that each certification granted by DIR is valid for a three-year period.

b. Develop an initial deposit process for fabrication shops to, during the pendency of the application development and certification process, submit a deposit fee for the application and initial certification, as specified.
c. Determine the initial certification fee and the renewal fee to be collected, which shall be in amounts as the department deems necessary to implement this chapter and shall not exceed the reasonable regulatory cost.

26) Authorizes DIR, in determining the fee amounts, to establish different fees for large or small fabrication shops in the state as necessary for regulatory purposes. In determining the sizes of the fabrication shops and the fee amounts, DIR shall consult with relevant stakeholders, including owners and operators of fabrication shops.

27) Authorizes a fabrication shop to continue to engage in fabrication activities during the pendency of the application development and certification process. Revokes this authorization on January 1, 2027.

28) Requires DIR, on January 1, 2027, to accept an application for and grant a certification to a fabrication shop that demonstrates to DIR's satisfaction all of the following:

a. Evidence of a legally obtained and valid business license and applicable state contractor's license.
b. Evidence of satisfactory workers' compensation insurance coverage.
c. Documentation of completion by applicable individuals of the training curriculum required by 21), above, within one year of enrollment.

29) Requires DIR, or a third party certified by DIR, to inspect a fabrication shop before the issuance or renewal of a certification to verify that the equipment and procedures of the fabrication shop comply with any occupational safety and health standards and orders that are promulgated by the Occupational Safety and Health Standards Board (Board).

30) Requires an applicant for a certification to submit to DIR an initial certification application, including an application fee and an initial certification fee, as specified.

31) Requires DIR to accept a renewal application for and grant a certification renewal to a fabrication shop that submits a certification renewal fee, as specified, and demonstrates to the department continued compliance with all of the following:

a. Evidence of compliance with the requirements of any occupational safety and health standards and orders promulgated by the Board.
b. Documentation of certified air quality monitoring results consistent with any occupational safety and health standards and orders promulgated by the Board, as specified.
c. Documentation of information related to employee-reported silicosis cases.
d. Beginning July 1, 2027, documentation that all individuals who perform fabrication activities or perform work on a shop floor of a fabrication shop are certified, or are exempt from certification.

32) Authorizes DIR to suspend or revoke a certificate issued if the fabrication shop has engaged in gross negligence, gross incompetence, or willful or repeated disregard of any emergency

or other occupational safety and health standards, occupational safety and health standards orders, provisions of SB 20, or any other related provision of law.

33) Prohibits a person or entity, or an employee of a person or entity, from engaging in fabrication activities without a certificate issued by DIR. Provides that violations may be reported to DLSE and that notwithstanding any provision of Division 5 of the Labor Code to the contrary, a violation is not a crime.

34) Requires DIR, commencing January 1, 2028, to evaluate the cost of implementation of these provisions and, if necessary, adjust the amounts of the initial certification fee and the renewal certification fee, as specified.

Records Collection

35) Requires DIR, in consultation with Cal/OSHA, to track and keep a record of information on fabrication shops regarding all of the following:

    a. The number of citations issued to any of the fabrication shops for failure to comply with any temporary or future standards adopted by the Board relating to RCS, and track the geographic areas in the state with the highest numbers of those citations.
    b. The number of new cases of silicosis identified in any of the fabrication shops since the passage of any temporary or future standards by the Board relating to RCS.
    c. The number of notices issued to fabrication shops found to be in noncompliance with DIR regulations relating to RCS.

36) Requires DIR to provide the information in 35), above, to, or otherwise assist as applicable, local prosecutors in seeking civil or criminal action against fabrication shops in violation of any applicable provisions.

37) Authorizes Cal/OSHA to use the information described in 36), above, for enforcement, as specified.

Statewide Tracking System

38) Requires DIR, on or before January 1, 2027, to create a statewide tracking system to track the number and progress of fabrication shops that have submitted a deposit for the application and certification process subject to all of the following requirements:

    a. The statewide tracking system shall be posted on the department's internet website and be made available to the public.
    b. The statewide tracking system shall include, but not be limited to, both of the following information:
        i. The names and total number of the fabrication shops that have submitted a deposit for the application and certification process.
        ii. The status of the certification process for the fabrication shops that have submitted a deposit for the application and certification process.
    c. The statewide tracking system shall not include any identifiable personal information.
    d. The department shall, to the extent feasible, update the information in the tracking system when new information becomes available.

Public Database

39) Requires the Director, on January 1, 2027, to maintain a publicly accessible database on DIR's internet website that includes all of the following:

   a. Information on any active orders issued by DIR in the prior 12 months prohibiting an activity at a fabrication shop pursuant to these provisions.
   b. Information on fabrication shops in the state certified pursuant to these provisions and on any pending enforcement actions against those certified fabrication shops.
   c. An online tool to report suspected or alleged violations of this chapter.

Suppliers

40) Prohibits a person, after January 1, 2027, from supplying a slab product directly to a person or entity engaged in fabrication activities if that person or entity engaged in fabrication activities does not have a valid certification.

41) Requires a person that supplies slab products to a person or entity engaged in fabrication activities to verify that the person or entity has a valid license before providing the slab product; and requires the supplier to rely on a written certification issued under penalty of perjury from the person that the person will not directly engage in fabrication activities with the product without a license and that, if the person resells the product, the person will resell to a person or entity with a license.

42) Requires a person that seeks services that require fabrication activities and enters into a contract with a person or entity to undertake fabrication activities to verify that the person or entity has a valid license before engaging with and providing slab products to that person or entity.

43) Provides that a violation of 40) through 42), above, may be grounds for penalties as determined by Cal/OSHA. Notwithstanding any provision of Division 5 of the Labor Code to the contrary, a violation of these provisions is not a crime.

COMMENTS

1. Background:

Silica is a common mineral found in soil, sand, granite, and most other types of rock. In its crystalline form, the mineral is hazardous and creates a respirable dust that is easy to inhale.[1] Artificial stone, used for countertops, contains more than 93 percent crystalline silica, in combination with adhesives and pigments.[2] When artificial stone is cut or manipulated, RCS releases into the air. Prolonged exposure to RCS produces an aggressive form of silicosis, a progressive, disabling, and often fatal lung disease. RCS particles travel deep into the lungs where they cause inflammation and eventually scarring. This scarring in turn makes breathing difficult. Ultimately, silicosis is incurable and typically leads to an early death.

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[1] "Silicosis: An Industry Guide to Awareness and Prevention," Natural Stone Institute, 2020, 2020_Silicosis_Tech_Module_UPDATE.indd (naturalstoneinstitute.org)

[2] "Hazard Alert: Worker Exposure to Silica during Countertop Manufacturing, Finishing and Installation," Occupational Safety and Health Administration (OHSA) and National Institute for Occupational Safety and Health (NIOSH) 2015, https://www.osha.gov/sites/default/files/publications/OSHA3768.pdf.

Although silicosis is centuries old, the disease is just now surging across the United States and in California. Approximately 2.3 million workers in the U.S. are exposed to RCS in the workplace each year. In California, the number of reported silicosis cases began increasing in 2019, with the Department of Health and the Occupational Health Branch describing the rise as an epidemic. DIR estimates that stone fabrication shops employ around 4,040 workers in the state. Based on a silicosis prevalence rate of 12 percent to 21 percent and a fatality rate of 19 percent, Cal/OSHA estimates that between 500 and 850 cases of silicosis will occur among these workers, and between 90 to 160 will likely die.[3] Prior to the adoption of an emergency temporary standard by the Board, discussed below, an existing standard did regulate occupational exposure to RCS. However, when Cal/OSHA examined the slab fabrication industry in 2019 and 2020, it found that 72 percent of shops were in violation of silica regulations.

The troubling rise in silicosis cases can be traced to the increasing popularity of artificial stone countertops. Artificial stone has dominated the market in the last 10 to 15 years primarily because of its affordability, low maintenance, and high resistance to scratches, stains, and heat. In 2021, it surpassed all other materials to become the predominant countertop product in the U.S. for residential and commercial applications, with a market size of $17.7 billion. Demand for artificial stone countertops is expected to continue growing at 9.6 percent annually through 2026, solidifying the material's position as the most popular type of countertop in the country.

2. Cal/OSHA Updated Permanent Regulation on Respirable Crystalline Silica (RCS):

On December 19, 2024, the Board approved updated permanent standards on RCS. These standards became effective on February 5, 2024 and replaced emergency temporary standards. Prior to the emergency standards, the existing standard was designed to monitor silicosis in large industries. This made its application to the slab fabrication industry, which primarily consists of small shops, difficult. Additionally, the old standard contained three loopholes, 1) it allowed employers to avoid implementing key protections by claiming they were infeasible; 2) it allowed employers to exempt themselves by claiming RCS exposure was below the allowable level; and 3) it allowed employers to conduct air monitoring on a single day and exempt themselves from the standard if the results showed exposures below the allowable level.

The updated permanent RCS standard (CCR §5204) includes important revisions to protect workers. Most importantly, the standard applies to high-exposure trigger tasks regardless of employee exposures, exposure assessments, or objective data. Below is a brief overview of the updated requirements.

Definitions and General Safety Requirements

- Defines a "high-exposure trigger task" as machining, crushing, cutting, drilling, abrading, abrasive blasting, grinding, chiseling, carving, gouging, polishing, buffing, fracturing, intentional breaking, or intentional chipping of artificial stone that contains more than 0.1 percent by weight crystalline silica, or natural stone that contains more than 10 percent by weight crystalline silica. High-exposure trigger tasks also includes clean up, disturbing,

[3] DIR, Finding of Emergency, Occupational Exposures to Respirable Crystalline Silica, https://www.dir.ca.gov/oshsb/documents/Respirable-Crystalline-Silica-Emergency-FOE.pdf

or handling of wastes, dusts, residues, debris, or other materials created during the above-listed tasks.

- Requires employers to assess an employee's exposure to RCS, monitor the workplace, and notify each affected employee in writing of the corrective actions taken to reduce exposure.
- Prescribes specified engineering controls and work practices for all high-exposure trigger tasks, including effective wet methods and respirators.
- Provides that failure to comply with engineering controls shall be considered an imminent hazard and is subject to an Order Prohibiting Use (OPU) by Cal/OSHA. The OPU allows Cal/OSHA to take immediate steps to stop a hazardous process or close the facility.

Exposure Plan and Medical Surveillance

- Requires employers to develop a written exposure control plan, as specified, and requires the plan to be available to employees.
- Requires employers to provide medical surveillance at no cost to the employee, as specified.

Training Requirements

- Requires employers to ensure that each employee covered by the standard can demonstrate knowledge and understanding of, among other things, the health hazards and symptoms of silicosis, tasks that may result in exposure to RCS, and how to properly use and implement engineering controls.
- Requires employers to make a copy of the standard readily available to each employee.

Reporting and Recordkeeping

- Requires employers, within 24 hours of receiving information regarding a confirmed silicosis case or lung cancer related to RCS exposure, to report specified information to the California Department of Public Health (CDPH) and Cal/OSHA.
- Requires employers to maintain an accurate record of all exposure measurements taken to assess employee exposure, of all objective data relied upon to comply with the standard, and of all employees covered by the medical surveillance requirement, as specified.
- Whenever an employee or designated representative requests access to a record, the employer shall assure that access is provided in a reasonable time, place, and manner, but in no event later than fifteen days after the request for access is made.

Impact of the Updated Permanent RCS Standard

Since December 29, 2023, Cal/OSHA has conducted 29 inspections of artificial stone fabrication shops and issued 13 OPUs. Previously, it took several months to open an investigation and issue citations before an employer was required to reduce RCS exposure.

3. Committee Comments:

Silicosis is a deadly disease that disproportionately affects young, Latino immigrants.[4] The actions taken by the state thus far are the first steps in a larger effort to ensure the slab fabrication industry is safe. Having said that, the committee raises the following concerns:

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[4] Reyes and Carcamo, "California workers who cut countertops are dying of an incurable disease," LA Times, September 24, 2023, California workers who cut countertops are dying of silicosis - Los Angeles Times (latimes.com)

- Within one year of DIR developing and adopting a training curriculum, all employees in a slab shop are required to have completed or be enrolled in DIR's training or be a graduate of a DAS approved apprenticeship program that covers fabrication activities. DIR's approved training curriculum requires classroom instruction and supervised hands-on activities. *Is one year enough time to train all 4,000 plus workers in the slab fabrication industry when classroom instruction and hands-on activities are required?*

- Prior to a fabrication shop receiving a certification, DIR, or a third party certified by DIR, must inspect the shop to verify that its equipment and procedures comply with any occupational safety and health standards and orders. *Given DIR's staffing difficulties and the number of small fabrication shops throughout the state, is this requirement feasible?*

4. Committee Amendments:

Amendments taken in committee will do the following:

- Add Assemblymember Celeste Rodriguez as a principal coauthor.

- Update the number of silicosis cases under findings and declarations.

- Revise the timeline within the bill so that the dates for various requirements do not conflict. Specifically, the date for DIR to develop an application and certification process, as specified, would remain January 1, 2027. However, the date for DIR to begin accepting applications for and granting a certification to a fabrication shop would be delayed until July 1, 2027. This aligns with the July 1, 2027 deadline for all workers engaged in fabrication activities to complete or be enrolled in the required training course.

- Specify that references to "approved apprenticeship programs" means apprenticeship programs approved by the Division of Apprenticeship Standards.

- Add a provision authorizing a fabrication shop to engage in fabrication activities if it has submitted an initial certification application and the application fee, as specified, while it awaits inspection by DIR, or a third party certified by DIR.

- Enable DIR and Cal/OSHA to consult with CDPH to track and keep a record of information on fabrication shops.

- Consolidate the statewide tracking system and public database into one database that DIR would maintain beginning January 1, 2027.

5. Double Referral:

SB 20, as introduced, would have required CDPH and the State Public Health Officer to execute the provisions of the bill. The inclusion of CDPH required SB 20 to be referred to the Senate Health Committee. Amendments to the bill, taken on March 13, struck references to CDPH and the State Public Health Officer and replaced them with references to DIR and the

Director of DIR. Should this bill be approved by the Committee, it will be withdrawn from the Senate Health Committee and referred to the Appropriations Committee.

6. Need for this bill?

According to the author:

"Over the course of last year, California has experienced an alarmingly high rate of silicosis cases, a fatal occupational lung disease, in the fabrication industry. To date, there are 253 cases and 15 deaths. In the fabrication industry, workers are exposed to silica dust when handling countertops with high concentrations of silica, causing silicosis. Silicosis is often a death sentence with a lung transplant only extending life expectancy by 3-5 years. This workforce is primarily undocumented, Latino, and uninsured.

This bill seeks to expand on the work Cal/OSHA has done in updating their silica workplace exposure standards by establishing a comprehensive safety plan that includes increased workers' education and oversight over these fabrication shops."

7. Proponent Arguments:

According to the sponsors, the State Building and Construction Trades:

"In January 2025, California adopted the respirable crystalline silica (RCS) regulation, which went into effect February 5, 2025. The RCS regulation requires exposure assessments for employees, engineering and work practice controls, medical surveillance and medical removal, a written exposure control plan, and record keeping. While we applaud Cal/OSHA for adopting the RCS regulation, regulators cannot provide for meaningful enforcement if the state lacks a tracking system on where the certificated fabrication shops are located. Additionally, Cal/OSHA has historically and continues to be critically understaffed while trying to keep 18 million workers safe. According to a February 2024 story from the Sacramento Bee, Cal/OSHA suffers from a 34% vacancy rate with a 37% vacancy rate among health and safety inspectors. The Cal/OSHA Bureau of Investigations, charged with investigating every workplace fatality, is operating with two investigators for the whole state. State law is necessary to assist Cal/OSHA to combat the effects of this global epidemic.

SB 20 will not remedy those inadequate statistics; however, it will help staunch the number of workers getting sick by getting non-certified stone fabrication shops out of the unregulated market. Fabrication is by-in-large a highly mobile and unregulated industry. Anyone can obtain and hire workers to cut this engineered stone, and skirt enforcement by simply relocating which spreads this epidemic throughout California. SB 20 seeks to only allow those certified by the state to obtain and cut engineered stone. Fabrication shops will be required to pay a fee and register with the state and provide state-approved training to fabricators to obtain state certification. This fee seeks to provide fabricators with the privilege to continue operating, while providing funding to the Department of Industrial Relations (DIR) to develop a tracking system to keep tabs on fabrication shops and worker exposures. Most importantly, this bill requires the DIR to consult with representatives of state-approved apprenticeship programs to adopt a training curriculum regarding the safe performance of fabrication activities. The goal is that with a robust registration, certification, and training system in place, Cal/OSHA will be able to focus on the parts of the industry that

remain underground and refuse to get certified. In short, it will allow Cal/OSHA to go after the bad actors."

8. Opponent Arguments:

None received.

9. Prior Legislation:

AB 3043 (Luz Rivas, 2024) was nearly identical to SB 20 and would have addressed worker safety in the stone fabrication industry by, among other things, 1) prohibiting the use of dry methods in fabrication; 2) establishing training, certification, and licensing requirements; 3) prohibiting suppliers from providing slabs to unlicensed people and entities; and 4) creating an online database to track violations of health and safety orders and licensing requirements. *This bill was held in the Senate Labor, Public Employment and Retirement Committee at the request of the author.*

SUPPORT

State Building and Construction Trades (Sponsor)
American Lung Association in California
California Federation of Labor Unions
Silica Safety Coalition
Western Occupational & Environmental Medical Association

OPPOSITION

None received.

-- END --

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

Bill No:	SB 261	**Hearing Date:**	March 26, 2025
Author:	Wahab		
Version:	March 17, 2025		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Alma Perez-Schwab		

SUBJECT: Division of Labor Standards Enforcement: orders, decisions, and awards

KEY ISSUES

This bill attempts to recover unpaid wages owed to workers by: 1) requiring the Labor Commissioner (LC) to post a copy of an order, decision, or award (ODA) on a claim for unpaid wages on the division's internet website; 2) prescribing when a posting can be removed; 3) requiring notification by certified mail to employers prior to the posting of an ODA; 4) subjecting, for final judgments unsatisfied after a period of 180 days, the employer to a civil penalty not to exceed three times the outstanding judgment amount; and 5) authorizing the LC to adopt regulations and rules of practice and procedures to enforce these provisions.

ANALYSIS

Existing law:

1) 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)

2) 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)

3) Requires the LC and authorized deputies and representatives, upon the filing of a claim by an employee as specified, to, among other things, take assignments of wage claims including claims for loss of wages, as specified. (Labor Code §96)

4) Establishes a citation process for the LC to enforce violations of the minimum wage that includes, but is not limited to, the following procedural requirements:

   a. A citation issued to an employer must be in writing and shall describe the nature of the violation, including reference to the statutory provision alleged to have been violated, if contract wages are unpaid, or both.
   b. The LC shall promptly take all appropriate action to enforce the citation and to recover the civil penalty assessed, wages, liquidated damages, and any applicable penalties, as specified.

c. To contest a citation, a person shall, within 15 business days after service of the citation, notify the office of the LC that appears on the citation of their appeal by a request for an *informal hearing*. The LC or their deputy or agent shall, within 30 days, hold a hearing.
d. The decision of the LC shall consist of a notice of findings, findings, and an order, all of which shall be served on all parties to the hearing within 15 days after the hearing by regular first-class mail.
e. Any amount found due by the LC as a result of a hearing shall become due and payable 45 days after notice of the findings, written findings, and order have been mailed to the party assessed. A writ of mandate may be taken from this finding to the appropriate superior court.
f. As a condition to filing a petition for a writ of mandate, the petitioner seeking the writ shall first post a bond with the LC equal to the total amount of any minimum wages, contract wages, liquidated damages, and overtime compensation that are due and owing, as specified.
g. A person to whom a citation has been issued shall, in lieu of contesting a citation pursuant to this section, transmit to the office of the LC designated on the citation the amount specified for the violation within 15 business days after issuance of the citation. (Labor Code §1197.1 et seq.)

5) Requires the LC, within 15 days after the hearing is concluded, to file in the office of the division a copy of the order, decision, or award (ODA). The ODA shall include a summary of the hearing and the reasons for the decision. Additionally, the ODA includes any sums found owing, damages proved, and any penalties awarded pursuant to the Labor Code, including interest on all due and unpaid wages, as specified. (Labor Code §98.1)

6) Upon filing of the ODA, requires the LC to:

   a. Serve a copy of the decision personally, by first-class mail, or in the manner specified in Section 415.20 of the Code of Civil Procedure on the parties.
   b. Advise the parties of their right to appeal the decision or award and further advise the parties that failure to do so within 10 days shall result in the decision or award becoming *final and enforceable as a judgment* by the superior court.
   (Labor Code §98.1 and §98.2)

7) Specifies that if no appeal of the ODA is filed within the period specified, the ODA shall, in the absence of fraud, be deemed the final order. Existing law then requires the LC to file, within 10 days of the ODA becoming final, a certified copy of the final order with the clerk of the superior court of the appropriate county unless a settlement has been reached by the parties and approved by the LC. *Judgment shall be entered immediately* by the court clerk in conformity therewith. (Labor Code §98.2)

8) In order to ensure that judgments are satisfied, authorizes the LC to serve upon the judgment debtor, personally or by first-class mail at the last known address of the judgment debtor listed with the division, a form, as specified, to assist in identifying the nature and location of any assets of the judgment debtor. Requires the judgment debtor to complete the form and cause it to be delivered to the division within 35 days, unless the judgment has been satisfied. (Labor Code §98.2)

9) Provides that in case of willful failure by the judgment debtor to comply with a final judgment, the division or the judgment creditor may request the court to apply the sanctions

provided in Section 708.170 of the Code of Civil Procedure including an order requiring a person to appear before the court. Failure to appear can result in a warrant to have the person brought before the court to answer for the failure to appear. (Labor Code §98.2)

10) As an alternative to a judgment lien, upon the order becoming final, a lien on real property may be created by the LC recording a certificate of lien, for amounts due under the final order and in favor of the employee or employees named in the order, with the county recorder of any county in which the employer's real property may be located, at the LC's discretion and depending upon information the LC obtains concerning the employer's assets. (Labor Code §98.2)

11) Provides that, upon payment of the amount due under the final order, the LC shall issue a certificate of release, releasing the lien created per the above. Unless the lien is satisfied or released, a lien under this section shall continue until 10 years from the date of its creation. (Labor Code §98.2)

12) Requires the LC to make every reasonable effort to ensure that judgments are satisfied, including taking all appropriate legal action. (Labor Code §98.2)

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. (Lab. Code §181)

14) Requires the DLSE to post on its internet web page the names, addresses, and essential information for a port drayage motor carrier with an unsatisfied final court judgment, tax assessment, or tax lien that may be released to the public under federal and state disclosure laws, including any ODA obtained by a public or private person or entity pursuant to Labor Code Section 98.1 finding that a port drayage motor carrier has engaged in illegal conduct including failure to pay wages, imposing unlawful expenses on employees, failure to remit payroll taxes, failure to provide workers' compensation insurance, or misclassification of employees as independent contractors with regard to a port drayage commercial driver. Prohibits DLSE to post such information until the period for all judicial appeals has expired. (Labor Code §2810.4)

This bill:

Online Positing of Orders, Decisions, or Awards

1) Requires the LC, no later than 15 days after the time to appeal from the order, decision, or award has expired and no appeal therefrom is pending, to post a copy of the ODA on the division's internet website.

2) Requires the LC to redact the name, address, and personal contact information of any employee or other complainant from the ODA before posting on the division's internet website.

3) Requires the LC, upon the written request of *any employee or other complainant* associated with the ODA, to publish the name, address, and personal contact information of the employee or other complainant making the request.

4) Requires the DLSE to post on its internet website the names, addresses, and essential information, including, but not limited to, fictitious business names, of any employer with an unsatisfied order, decision, or award issued under this chapter as to which the time to appeal has expired and no appeal therefrom is pending, or with an unsatisfied final court judgment based on the order, decision, or award.

5) Prohibits the DLSE from posting the information required on its internet website until the period for all judicial appeals from the order, decision, or award has expired.

6) Requires a posting to be removed within 15 business days after the DLSE determines that both of the following are true:

   a. There has been full payment of any unsatisfied judgment and any other financial liabilities for all violations identified or that the employer has entered into an approved settlement dispensing of the judgment and any liabilities.
   b. The employer has submitted certification, under penalty of perjury, that all violations identified have been remedied or abated.

Notice Prior to Posting

7) Requires the DLSE, no fewer than 15 business days before posting on its internet website the names, addresses, and essential information for any employer with owed judgments, to provide notification by certified mail to the employer that, at a minimum, shall include all of the following:

   a. The name, email address, and telephone number of a contact person at the division.
   b. The alleged conduct and a copy of the citation, unsatisfied court judgment, assessment, order, decision, or award.
   c. A copy of the regulations or rules of practice or procedure adopted pursuant to subdivision (d) for removal of the posting.

Increased Penalties for Nonpayment

8) Provides that if a final judgment against an employer arising from the employer's nonpayment of wages remains unsatisfied after a period of 180 days after the time to appeal therefrom has expired and no appeal is pending, the employer shall be subject to a civil penalty not to exceed *three times the outstanding judgment amount*, including postjudgment interest then due.

9) Authorizes the court to assess this penalty in any action brought to enforce the judgment or to otherwise induce compliance by or impose lawful consequences on a judgment debtor.

10) Requires the court to assess against the employer the entire amount of the requested penalty except to the extent that the court finds that the employer has demonstrated by clear and convincing evidence good cause to reduce the amount of the penalty.

11) Provides that penalties assessed by a court pursuant to these provisions be distributed as follows:

a. Fifty percent to the employee(s) in whose favor the judgment was rendered, shared proportionally according to the amount due to each employee in the judgment.
b. Fifty percent to the DLSE for enforcement of labor laws and for education of employers and employees about their rights and responsibilities under the Labor Code, as specified.

12) Specifies that a successor to a judgment debtor, as defined, shall be jointly and severally liable for penalties assessed pursuant to these provisions.

13) Specifies that penalties assessed pursuant to these provisions shall be in addition to any other penalties or fines permitted by law.

Other Provisions

14) Provides that a waiver of these provisions is contrary to public policy, and is void and unenforceable.

15) Specifies that these provisions do not apply to ODA's or final court judgments issued against port drayage motor carriers, as defined, for which online posting of unpaid judgments already exists.

16) Authorizes the LC to adopt regulations and rules of practice and procedure necessary to administer and enforce these provisions and specifies that unless and until such are adopted, existing definitions for specified terms and existing procedures for the "Removal from Public List," prescribes under existing regulations (for the port drayage online posting) shall apply.

17) Authorizes a public prosecutor, as defined in existing Labor Code section 180, in addition to the existing right of a judgment creditor and the LC as assignee of the judgment creditor, to enforce a final judgment and be awarded court costs and reasonable attorney's fees for any action bought to enforce judgments owed.

18) Includes findings and declarations relevant to the pervasive issue of wage theft in California and the need for additional tools to enhance enforcement and collection of wage judgments to ensure workers who are victims of wage theft are paid in a timely manner.

COMMENTS

1. Background

Data on Wage Theft:

California leads the nation with some of the strongest workplace protections for workers. Unfortunately, those laws are meaningless if they are not implemented or enforced, leaving workers struggling to recoup owed wages. Wage theft in California, which impacts low-wage workers disproportionately, is well documented. Wage theft captures many labor law violations including violations of the minimum wage, overtime, denied meal periods, or misclassification of employees as independent contractors, among others. A 2022 report to the Legislature on the state's wage claim adjudication process reveals that there were nearly 19,000 wage claims filed in 2021 with a total of $335 million being owed to workers.[1] Due to

[1] Wage Claims Adjudication Unit Annual Report Pursuant to Labor Code Section 96.1, Calendar Year 2021, California Labor Commissioner's Office, p. 15.

challenges in staffing, resources, and a growing case backlog, only approximately $40 million has been in paid in awards or settlements through the wage claim adjudication unit of the LC.[2] In 2022, the Labor Commissioner's office recovered through the wage claim process an average of 63% of wages owed, totaling more than $47 million paid to workers.

A 2024 Rutgers School of Management and Labor Relations report assessed minimum wage violations across four metropolitan statistical areas of interest – Los Angeles/Long Beach/Anaheim, San Jose/Sunnyvale/Santa Clara, San Diego/Carlsbad/San Marcos, and San Francisco/Oakland/Fremont.[3] Among the key findings of the report are the following:

- An average of $2.3 to $4.6 billion in earned wages were lost by workers each year from 2014 to 2023 due to minimum wage violations across these four metro areas.
- The majority of lost wages were in the Los Angeles area, where we estimate an average of $1.6 to $2.5 billion was lost a year during the study period.
- Those that were paid below the minimum wage lost roughly 20 percent of their total paycheck on average, or nearly $4,000 in earned wages a year if working full-time.
- The most impactful violations occurred in the San Francisco area, where workers lost an average of $4,300 to $4,900 annually to minimum wage violations.
- The number of workers paid below both the state and primary metro minimum wages has more than doubled since 2014, growing particularly dramatically over the most recent year of the study (2023).

Wage theft does not only affect workers, but they also create unfair competition for responsible employers who follow the law. The State of California is also harmed when labor laws are not enforced because more workers fall into poverty, the safety net is eroded, and payroll taxes are not paid.

Existing Wage Theft Adjudication Process:
As noted under existing law, a worker may file a wage theft claim with the DLSE. The DLSE, also known as the LC's office, is then tasked with resolving wage theft claims by investigating, facilitating a resolution with the worker and employee, and holding a hearing when necessary. In some cases, claims may go directly to civil litigation, skipping the settlement conference and hearing steps.

Once the LC issues an order, decision, or award (ODA), the employer has a limited time after service of the LC decision to file an appeal. If no appeal is filed within the specified period, the LC must file a certified copy of the decision with the appropriate Superior Court and obtain a judgment against the employer for the amount owed. When the LC does request that the court enter the judgment against the employer, the worker can choose the option of referring the judgment to the LC's Enforcement Unit for collection or pursue collection on their own or through the use of an external partner, such as a private attorney or advocacy groups.

The DLSE Enforcement Unit can use a variety of means to collect judgment amounts, including levies against employers' bank accounts and liens on properties. Additionally,

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[2] *Ibid.*

[3] Daniel J. Galvin, Jake Barnes, Janice Fine, and Jenn Round. *Wage Theft in California: Minimum Wage Violations, 2014-2023*. (Rutgers School of Management and Labor Relations, May 2024)

DLSE calculates interest accrued on any outstanding judgment amounts for collection purposes.

Existing law prescribes specified number of days for each step in the wage theft adjudication process, with 135 days being the maximum number of days under which it is to be resolved. Below is the timeline under which the DLSE is required to respond to a wage theft claim:

- 30 days from claim submission to gather information and determine if a hearing is necessary OR takes no further action and notifies parties.
- Hold a hearing within 90 days of determination that a hearing is necessary.
- Within 15 days after the hearing is concluded, file an order, decision, or award.
- Within 10 days of service of an ODA, parties can appeal OR the LC files the ODA with the appropriate Superior Court and the court issues a judgment against the employer.

State Auditor Report on the Labor Commissioner's Office:
In May 29, 2024, the California State Auditor released a report summarizing the findings of an audit of the Division of Labor Standards Enforcement. The State Auditor reviewed the backlog of wage claims submitted by workers from fiscal years 2017-18 through 2022-23, and determined that the LC is not providing timely adjudication of wage claims for workers primarily because of insufficient staffing to process those claims.[4] The backlog of grew from 22,000 at the end of fiscal year 2017–18 to 47,000 at the end of fiscal year 2022–23. As of November 1, 2023, more than 2,800 claims had been open for five years or more; these claims equated to more than $63.9 million in unpaid wages.

Among other things, the report found:

- The LC's office often takes two years or longer to process wage claims, with a median of 854 days to issue a decision (more than six times longer than the law allows).
- Field offices have insufficient staffing to process wage claims with vacancy rates equal to or greater than 10 percent, and 13 field offices with vacancy rates greater than 30 percent. The Auditor estimates that the LC's office needs hundreds of additional positions to resolve its backlog. Contributing to the high vacancy rate is an ineffective and lengthy hiring process and non-competitive salaries.
- The DLSE's Enforcement Unit's work results in only a small percentage of successful payment to workers. *Between January 2018 and November 2023, about 28 percent of employers did not make LC-ordered payments. The LC consequently obtained judgments against those employers. In roughly 24 percent of judgments during that time, or about 5,000 cases, the workers referred their judgments to the Enforcement Unit. The unit successfully collected the entire judgment amount in only 12 percent of those judgments, or in about 600 cases.*

Existing Port Drayage Posting of Judgments:
Existing law requires the DLSE to post on its internet web page the names, addresses, and essential information for a port drayage motor carrier with an *unsatisfied final court judgment, tax assessment, or tax lien*. This includes any ODA obtained by a public or private

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[4] Auditor of the State of California (May 2024). *The California Labor Commissioner's Office: Inadequate Staffing and Poor Oversight Have Weakened Protections for Workers*. (Report 2023-104) https://www.auditor.ca.gov/wp-content/uploads/2024/05/2023-104-Report.pdf

person or entity pursuant to Labor Code Section 98.1 finding that a port drayage motor carrier has engaged in illegal conduct including failure to pay wages, imposing unlawful expenses on employees, failure to remit payroll taxes, failure to provide workers' compensation insurance, or misclassification of employees as independent contractors with regard to a port drayage commercial driver.

This bill would similarly require the DLSE to post on their internet website, no later than 15 days after the time to appeal from the order, decision, or award has expired and no appeal therefrom is pending, a copy of an ODA issued against any employer for wages owed on the division's internet website. This bill requires the LC to redact the name, address, and personal contact information of any employee or other complainant from the ODA before posting on the division's internet website. However, the bill requires the LC, upon the written request of *any employee or other complainant* associated with the ODA, to publish the name, address, and personal contact information of the employee or other complainant making the request.

Staff Note: existing port drayage provisions requires the posting of unsatisfied final judgments while this bill requires the posting to occur once an ODA is filed and no appeal is pending.

2. **Need for this bill?**

According to the author:

"Wage theft is the #1 crime taking money out of Californians' pockets in the midst of an affordability crisis when millions of people are struggling to meet their basic needs. Workers are especially vulnerable to both wage violations and cost of living increases right now. When employers violate wage laws, they harm workers, families, and communities that need those dollars the most.

Ensuring Californians are paid every penny they have earned is a matter of justice that is critical to addressing socioeconomic disparities. While young workers (16-24) are at the highest risk of being paid below minimum wage, seniors over 65 are also more likely to experience minimum wage violations.

The existing system for recovering stolen wages is not enough. Only 12% of workers who report stolen wages to the Labor Commissioner's Office (LCO) receive the payment they're owed, and over half of wage theft judgments go unpaid. SB 261 will give local prosecutors and attorneys the tools to enforce judgments and help workers get paid by requiring transparency from the LCO and adding penalties for employers who refuse to pay."

3. **Proponent Arguments:**

According to one of the sponsors of the measure, the California Federation of Labor Unions:

"Despite the best efforts of the Labor Commissioner and other enforcement agencies, state-level enforcement of labor law violations is inadequate. There are numerous barriers to enforcement even if agencies were well-funded, but instead, these agencies are underfunded and understaffed – both Cal/OSHA and the Labor Commissioner's Office have vacancy rates above 30%. Even when workers go through the burdensome and lengthy process to obtain a judgment under the

California Labor Code, those judgments often go uncollected. In 2023, the LCO received 39,000 wage theft claims, yet only 12% of workers who reported stolen wages to the LCO received the payment they are owed, and over half of wage theft judgments go unpaid."

The County of Santa Clara is co-sponsoring the measure and argues:

"Many wage theft judgments remain unpaid. This may be the result of the lack of consequences for employers who fail to pay. Under current law, employees are only entitled to simple interest when a judgment goes unpaid, even if unpaid for months or years. The Labor Commissioner has authority to impose a small $2,500 penalty on employers operating with unpaid judgments for the first violation, and $100 per day for subsequent violations, but these limited penalties have proven to be insufficient leverage to get employers to pay because they are not tethered to the size of the unpaid wage judgment or the number of workers affected. Equally important, the law does not require those penalties to be distributed to the workers who are harmed by the violations."

The Civil Prosecutors Coalition, also co-sponsors of the measure, conclude by stating that, "this bill is a crucial step towards ensuring that workers receive timely justice and that employers adhere to fair labor practices. The additional enforcement tools in SB 261 would provide greater protection for workers' rights and promote a fairer workplace environment statewide."

4. Opponent Arguments:

A coalition of employer organizations, including the California Chamber of Commerce, are opposed unless amended, arguing:

"SB 261 requires the Labor Commissioner to post *every* order, decision or award ("ODA") online for public viewing unless it is being appealed. ODAs are issued at the conclusion of hearings before the Labor Commissioner. Just as in court, there are many situations in which the parties may choose to participate in a hearing rather than reach settlement. For example, a genuine dispute about under what circumstances a reimbursement is due or whether a specific manager did or did not offer timely meal breaks. Many claims in labor and employment law arise where there are no concrete records or where the law is highly fact specific, resulting in legitimate, good faith disputes. Our concern is that creating a public list of all employers with ODAs places those in good faith disputes on the same list as those who have an ODA issued against them because they acted maliciously in withholding wages or failed to show up to the hearing at all.

Further, posting every single ODA online effectively creates a shopping list for trial attorneys. The 2024 PAGA Reform legislation codified existing case law providing those higher penalties ($200 per employee per pay period) under PAGA for subsequent violations may be awarded where the LWDA issued a finding or determination to the employer that its policy or practice giving rise to the violation was unlawful. By handing trial attorneys a copy of every ODA issued, the Legislature is handing them a shopping list of employers to go threaten with litigation to see if they can get a higher penalty.

To be clear, we are not opposing the publishing of unsatisfied judgments where the employer is ignoring their obligation to pay an outstanding ODA. For Sections Two and Five of the bill, we simply request additional clarity that an employer who has entered into an agreement

with the employee regarding a payment plan or schedule not be included on the posted list or under the new penalty created in Section Five."

5. **Suggested Amendment:**

As noted above, this bill is similar to existing online posting requirements of unsatisfied judgments in the port drayage industry. This bill requires the LC to redact the name, address, and personal contact information of any employee or other complainant from the ODA before posting on the division's internet website. However, the bill requires the LC, upon the written request of *any employee or other complainant* associated with the ODA, to publish the name, address, and personal contact information of the employee or other complainant making the request.

The opt-in posting of any employee or other complainant's name, address, and personal contact information is not currently required in the port drayage posting of unsatisfied judgments provisions. Committee staff believes that as this model of public posting of employers with unsatisfied judgments is expanded into other industries, the protection of workers' personal identifiable information remain a priority.

To this end, committee staff recommends the removal of the provisions allowing any employee or other complainant associated with the order, decision, or award to request that the LC publish their personal information on the internet website. This amendment protects workers' identity and personal contact information and is consistent with the existing database found in the port drayage industry.

Amendment:

> 98.1(a)(2) No later than 15 days after the time to appeal from the order, decision, or award has expired and no appeal therefrom is pending, the commissioner shall post a copy of the order, decision, or award on the division's internet website. The commissioner shall redact the name, address, and personal contact information of any employee or other complainant from the order, decision, or award before posting the order, decision, or award on the division's internet website. **~~Upon the written request of any employee or other complainant associated with the order, decision, or award, the commissioner shall publish the name, address, and personal contact information of the employee or other complainant making the request.~~**

6. **Double Referral:**

This bill has been double referred and if approved by this Committee today, will be sent to Senate Judiciary for a hearing.

7. **Prior and Related Legislation:**

SB 310 (Wiener, 2025) would permit the penalty for failure to pay wages owed to employees to be recovered through an independent civil action, as specified. *SB 310 is pending the scheduling of a hearing before this Committee.*

SB 355 (Perez, 2025) would, among other things, require the Department of Motor Vehicles (DMV) to suspend, cancel, or revoke the registration of a commercial vehicle when the

Department of Motor Vehicles has received notification from the Labor Commissioner of a noncompliant judgment debtor, as specified. This bill would also require the DMV to suspend the driver's license of an individual person subject to a judgment for nonpayment of wages, as specified, upon notification from the Labor Commissioner pursuant to the above provisions. *SB 355 is pending the scheduling of a hearing before this Committee.*

AB 485 (Ortega, 2025) would require state agencies to deny a new license or permit, or the renewal of an existing license or permit, for employers that have outstanding wage theft judgments and have not obtained a surety bond or reached an accord with the affected employee to satisfy the judgment.

AB 1234 (Ortega, 2025) would, among other things, revise and recast the provisions relating to the process for the LC investigate, hold a hearing, and make determinations relating to an employee's complaint of wage theft. Among other things, the bill would impose an administrative fee payable in the amount of 30% of the ODA to be deposited into the Wage Recovery Fund, created by the bill, and appropriated to compensate the LC for the staffing required to investigate and recover wages and penalties owed to aggrieved employees.

AB 594 (Maienschein, Chapter 659, Statutes of 2023), until January 1, 2029, clarified and expanded public prosecutors' authority to enforce the violation of specified labor laws through civil or criminal actions without specific authorization from the DLSE.

SB 338 (Gonzalez, Chapter 333, Statutes of 2021) required the DLSE to post on its webpage essential information for a port drayage motor carrier that previously engaged in unlawful conduct related to misclassification and has subsequently been found in violation of a labor and employment law and establishes a process for the carrier to be removed from the posting upon certifying that the violation has been corrected.

SUPPORT

California Federation of Labor Unions, AFL-CIO (Co-sponsor)
Civil Prosecutors Coalition (Co-sponsor)
County of Santa Clara (Co-sponsor)
California Employment Lawyers Association
California Rural Legal Assistance Foundation, INC.
California School Employees Association
Civil Prosecutors Coalition
Consumer Attorneys of California
Santa Clara County Wage Theft Coalition
Western Center on Law & Poverty, INC.

OPPOSITION

Acclamation Insurance Management Services
Allied Managed Care
Anaheim Chamber of Commerce
Associated General Contractors California
Associated General Contractors San Diego

Brea Chamber of Commerce
California Apartment Association
California Association of Sheet Metal & Air Conditioning Contractors National Association
California Association of Winegrape Growers
California Chamber of Commerce
California Farm Bureau
California League of Food Producers
California Restaurant Association
California Retailers Association
California Trucking Association
Carlsbad Chamber of Commerce
Civil Justice Association of California
Coalition of Small and Disabled Veteran Businesses
Colusa County Chamber of Commerce
Construction Employers' Association
Corona Chamber of Commerce
Flasher Barricade Association
Garden Grove Chamber of Commerce
Greater Coachella Valley Chamber of Commerce
Greater High Desert Chamber of Commerce
Hayward Chamber of Commerce
La Cañada Flintridge Chamber of Commerce
Long Beach Area Chamber of Commerce
Murrieta/Wildomar Chamber of Commerce
National Federation of Independent Business
North San Diego Business Chamber
Oceanside Chamber of Commerce
Orange County Business Council
Palos Verdes Peninsula Chamber of Commerce
Paso Robles and Templeton Chamber of Commerce
Porterville Chamber of Commerce
Poway Chamber of Commerce
Rancho Mirage Chamber of Commerce
Redondo Beach Chamber of Commerce
Roseville Area Chamber of Commerce
San Diego Regional Chamber of Commerce
Santa Barbara South Coast Chamber of Commerce
Santa Clarita Valley Chamber of Commerce
Santee Chamber of Commerce
Seal Beach Chamber of Commerce
South Bay Association of Chambers of Commerce
Southwest California Legislative Council
Torrance Chamber of Commerce
Western Electrical Contractors Association

-- END --

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

Bill No:	SB 422	**Hearing Date:**	March 26, 2025
Author:	Grayson		
Version:	February 18, 2025		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Alma Perez-Schwab		

SUBJECT: California Workforce Development Board: developmental services

KEY ISSUE

This bill would require the California Workforce Development Board to research and provide a report to the Governor and the Legislature including recommendations on the most compelling strategies for addressing the workforce shortage in California's developmental services system.

ANALYSIS

Existing law:

1) Establishes the California Workforce Development Board (CWDB), under the purview of the Labor and Workforce Development Agency, 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.)

2) Establishes the State Department of Developmental Services (DDS) to ensure Californians with developmental disabilities have the opportunity to make choices and lead independent, productive lives as members of their communities in the least restrictive setting possible. (Welfare and Institutions Code §21 et seq.)

3) Establishes the Lanterman Developmental Disabilities Services Act (Lanterman Act), which states that California is responsible for providing a range of services and supports sufficiently complete to meet the needs and choices of each person with developmental disabilities, regardless of age or degree of disability, and at each stage of life, and to support their integration into the mainstream life of the community. (Welfare and Institutions Code §4500 et seq.)

4) Establishes a system of nonprofit Regional Centers, overseen by DDS, to provide fixed points of contract in the community for all persons with developmental disabilities and their families, to coordinate services and supports best suited to them throughout their lifetime. The network of Regional Centers is intended to be accessible to every family in need and that the design and activities reflect a strong commitment to the delivery of direct service coordination. (Welfare and Institutions Code §4620)

This bill:

1) Requires the California Workforce Development Board, on or before January 1, 2027, to research and review recommendations from the current body of work in national and state-level developmental services policy reports and provide a report to the Governor and the Legislature including recommendations on the most compelling strategies for addressing the workforce shortage in California's developmental services system.

2) Requires the report to identify the state entities best suited for, and that have the jurisdiction and authority aligned with, implementing the identified workforce strategies.

3) Requires the CWDB, before submitting the required report, to solicit input from all relevant stakeholders, including, but not limited to, people with developmental disabilities and their family members, direct support professionals, developmental services providers, the Association of Regional Center Agencies, local workforce development boards, and subject matter experts in workforce development.

4) Requires the State Department of Developmental Services to:

   a. Provide staff support and expertise necessary to complete the review and report.
   b. Identify subject matter experts regarding the workforce issues impacting children and adults served through the Lanterman Developmental Disabilities Services Act and the California Early Intervention Services Act, as specified.

5) Requires that the report be submitted in compliance with existing reporting provisions under Section 9795 of the Government Code and repeals these reporting provisions on January 1, 2028.

COMMENTS

1. Background

Existing law defines "developmental disability" to mean a disability that originates before an individual attains 18 years of age, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual. As defined by the Director of DDS, in consultation with the Superintendent of Public Instruction, this term shall include intellectual disabilities, cerebral palsy, epilepsy, autism, and other closely related disabling conditions. (Welfare and Institutions Code §4512)

The workforce needs for this population encompass an array of critical supports making it possible for people with intellectual and developmental disabilities (IDD) to live, work, and thrive in their communities. The care needs include teachers, nurses, psychologists, occupational therapists, physical therapists, counselors, dieticians to chauffeurs, personal trainers, and others. As noted by a recent study that evaluated the IDD workforce trends post COVID-19, "there is no Bureau of Labor Statistics occupational classification for direct support professionals and they are often categorized with home health aides, personal care assistants, certified nurse assistants, and others. Providing home and community-based supports for people with IDD, however, requires specialized skills and competencies;

unfortunately, this is not reflected in their low wages, limited access to benefits, and lack of respect afforded to this essential workforce."[1]

As noted by the DDS, under the Lanterman Developmental Disabilities Services Act, DDS is responsible for overseeing the coordination and delivery of services and supports to more than 400,000 Californians with developmental disabilities.

According to the Senate Human Services Committee:

"Direct responsibility for implementation of the Lanterman Act's service system is shared by DDS and a statewide network of 21 regional centers, which are private, community-based nonprofit entities that contract with DDS to carry out many of the state's responsibilities. Regional center contracts include specific and measurable performance objectives. Every year, DDS reviews each regional center's performance data for compliance with their contracts and posts them on their website. Regional center services are not consistent across the state. One often-cited strength of the regional center system is each regional center's local control and flexibility, while one challenge is the system's lack of uniformity."

Workforce Shortages and Challenges
Much like other industries, staff shortages for meeting the needs of the IDD community are concerning. A survey conducted by the Institute on Community Integration and the National Alliance for Direct Support Professionals (DSPs) to evaluate the impacts of COVID-19 on the direct support workforce, found the following:

> "Over 43% of DSPs left their positions in 2019 with one-third leaving in the first six months of employment (National Core Indicators, 2020). Vacancy rates were 8.5% for full-time and 11% for part-time positions. As a result of high vacancies, many DSPs, supervisors, and other staff consistently have to work overtime to provide supports (Hewitt et al., 2019; Test et al., 2003). Another consequence of high vacancies in DSP positions is that sometimes people with IDD go without supports that they need and that have been authorized. Family members often end up providing these supports themselves, which affects their availability to maintain their own employment (Anderson et al., 2002). The threat of contracting COVID-19, social distancing guidelines, and stay-at-home orders affected people with IDD and DSPs.
>
> People with IDD are more likely to contract COVID19 (Gleason et al., 2021) and are at greater risk of mortality from COVID-19 than nearly any other diagnosis type (Kaye, 2021). During the pandemic, they have experienced loss of employment and social isolation. DSPs are most often their primary supports. The purpose of the COVID-19 DSP initial and six-month follow-up surveys was to gather information about the experiences of DSPs related to the COVID-19 pandemic to inform efforts to prepare for future waves of the pandemic."[2]

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[1] Hewitt, A., Pettingell, S., Kramme, J., Smith, J., Dean, K., Kleist, B., Sanders, M., & Bershadsky, J. (2021). Direct Support Workforce and COVID-19 National Report: Six-Month Follow-up. Minneapolis: Institute on Community Integration, University of Minnesota.
[2] Ibid.

Master Plan for Development Services
In acknowledgement of the challenges facing the IDD population and opportunities for improving consumer experiences in the provision of developmental services, the Legislature passed and the Governor Newsom signed into law, AB 162 (Committee on Budget, Chapter 47 Statutes of 2024) to, among other things, direct the development of a Master Plan for Developmental Services. The Master Plan for Developmental Services is intended to strengthen accessibility, quality, and equity of the developmental services system for all system consumers and their families, regardless of their language spoken, demographic group, geographic region, or socioeconomic status, and improves the accountability and transparency of the systems supporting them.

In recognition that California's developmental disabilities system is deeply connected to other health and social systems, the Master Plan also seeks to create and strengthen bridges that connect the developmental services system to other critical systems including education, housing, employment, transportation, and safety. Five workgroups were established as part of the Master Plan development, including one on workforce.

The final Master Plan is scheduled to be completed this month and will be posted on the California Health and Human Services Agency website by Friday, March 28, 2025.

2. **Need for this bill?**

According to the author:

"These regional centers are strongly committed to ensuring a robust service network for California's IDD community and their families, however, there is a critical shortage of service providers. According to the American Network of Community Options and Resources, the annual turnover rate for direct support professionals (DSPs) is 44%. Additionally, the President's Committee for People with Intellectual Disabilities reports an average vacancy rate of over 20%. With the demand for DSP workers expected to rise and the workforce remaining stagnant—or even shrinking—these shortages will only worsen in the near future.

California is facing a crisis in access to care for individuals in the IDD community, driven by a significant shortage of service providers dedicated to supporting those with developmental disabilities. If this workforce shortage isn't addressed promptly, it will lead to even greater financial challenges for both the state and the families in urgent need of care."

3. **Proponent Arguments:**

According to the sponsors of the measure, the Association of Regional Center Agencies:

"SB 422 (Grayson) is not just a study bill to investigate the problem or impact of the workforce shortage for developmental services. Rather it is unique in that it calls upon the state's foremost authority on workforce development, the California Workforce Development Board (CWDB), to analyze the most compelling recommendations for addressing the workforce shortage, as documented in national and state-level policy reports, 2024 peer reviewed research, and a series of policy bills from the 118th Congress.

Our association is deeply invested in having robust service capacity to support Californians with developmental disabilities and their families. The regional centers are collectively driven by the mission to ensure people with disabilities have the support they need to be full participants in their communities. However, they are unable to achieve our purpose without an adequate league of qualified Direct Support Professionals who come in direct contact with people with disabilities every day in their efforts to work, learn, and play in inclusive communities of their choosing.

We strongly support SB 422. This issue should be a state priority and needs the attention of the CWBD and the Governor to map out a way forward."

4. **Opponent Arguments:**

None received.

5. **Double Referral:**

This bill has been double referred and if approved by this Committee today, will be sent to Senate Human Services Committee for a hearing.

6. **Prior Legislation:**

AB 162 (Committee on Budget, Chapter 47, Statutes of 2024), among other things, directed the development of a Master Plan for Developmental Services.

SUPPORT

Association of Regional Center Agencies (Sponsor)
Avenues Supported Living Services
Cal-TASH
Infant Development Association of California
L.I.F.E.
PathPoint

OPPOSITION

None received.

-- END --

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

Bill No:	SB 443	**Hearing Date:**	March 26, 2025
Author:	Rubio		
Version:	February 18, 2025		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Glenn Miles		

SUBJECT: Retirement: joint powers authority: Cities of La Verne and Covina

KEY ISSUE

This bill attempts to permit a Joint Powers Agency (JPA) founded by the cities of La Verne and Covina to offer the classic pension formula, as specified, to employees of a non-founding public agency who become employees of the JPA within 180 days of the non-founding public agency joining the JPA. Proposed author's amendments would make the provisions applicable to any JPA, not exclusively to one founded by La Verne and Covina.

ANALYSIS

Existing law:

1) Authorizes, under the Joint Exercise of Powers Act, public agencies to enter into agreements to jointly exercise any power common to the contracting parties, including providing for the creation of an agency or entity that is separate from the parties to the agreement and is responsible for the administration of the agreement. (Government Code §6500 et seq.)

2) Allows the JPA formed by the public agencies to contract with the California Public Employees' Retirement System (CalPERS) to offer retirement benefits to the JPA's employees provided that the JPA meets the federal definition of a governmental plan. (Government Code §20460 et seq.)

3) Establishes, under the Public Employees' Pension Reform Act (PEPRA) a new retirement plan formula and requires public employers to offer the PEPRA formula to new employees first hired into public service *after* January 1, 2013, as defined. (Government Code §7522 et seq.)

4) Requires pre-PEPRA members (i.e., classic members) who move between public employers within a 180-day time period, to be eligible to receive the benefit plans their new public employer offered to its employees on December 31, 2012 (i.e., the benefit plan in place prior to PEPRA implementation). (Government Code §7522.02)

5) Allows a JPA formed by the cities of Brea and Fullerton on or after January 1, 2013, to provide employees who transfer to the JPA from Brea or Fullerton with the classic retirement formulas that the employees were receiving on December 31, 2012, from their respective employers. (Government Code §7522.02 (f))

6) Clarifies that the formation of the JPA by Brea and Fullerton shall not act in a manner so as to exempt a member from PEPRA who would otherwise be subject to PEPRA. (Government Code §§7522.02 (f) (3))

7) Allows a JPA formed on or after January 1, 2013, where at least one member agency provided classic retirement benefits on or before December 31, 2012, to provide its employees the defined benefit plan or formula that those employees received from their respective employers prior to the exercise of a common power. The employee must not have been a PEPRA member with the member agency and the JPA must employ the member within 180 days of the member agency providing for the exercise of a common power. (Government Code §7522.05 (a))

8) Provides that the formation of a JPA on or after January 1, 2013, shall not act in a manner as to exempt a new employee or a new member, as defined by Section 7522.04, hired by that JPA from PEPRA's requirements. New members may only participate in a defined benefit plan or formula that conforms to PEPRA's requirements. (Government Code §7522.05 (b))

This bill:

1) Permits a JPA formed, on or after January 1, 2026, by the City of La Verne and the City of Covina to provide its employees the defined benefit plan or formula that those employees received from their respective employers prior to the exercise of a common power.

2) Applies, as drafted, only to La Verne and Covina employees who are not PEPRA members and who the JPA employs within 180 days of the formation of the JPA.

3) Finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the need to offer continuous benefits for employees upon the formation of a joint powers authority by the City of La Verne and the City of Covina.

COMMENTS

1. Background

The cities of La Verne and Covina are collaborating to establish a JPA aimed at improving public safety services by creating a regional dispatch center. The sponsors argue that their initiative offers significant benefits, including enhanced efficiency, resource sharing, and cost savings, all while improving the overall service delivery to the community. The sponsors hope that, once formed, other public agencies will be interested in joining the JPA.

However, current law under PEPRA does not technically permit JPAs created after January 31, 2012, to offer classic pension formulas except up to 180 days after the JPA's *formation.* Thus, the sponsors' JPA will not be able to offer classic pension formulas to employees who come from member agencies that join the JPA after that period, thereby creating a strong disincentive for participation by potential member agencies whose employees would likely oppose joining the JPA.

PEPRA required public employers to offer new pension system members PEPRA pension formulas instead of classic pension formulas beginning January 1, 2013. However, PEPRA sought to preserve, under specified circumstances, the existing public pension members' right to transfer among public employers and retain their status as classic members eligible for their new employer's classic pension formula instead of its PEPRA pension formula.

PEPRA allowed this exception to members who transferred to their new employer within 180 days of separating from their old employer.

JPAs formed after PEPRA became law did not technically have any prior classic pension formula to offer its employees who transferred from the JPA's founding member agencies and could only offer PEPRA pension formulas, which created a disincentive for employees who were classic members to work at the JPA.

Subsequent amendments to PEPRA provided a limited exception to allow a JPA formed by certain public agencies to provide its employees the classic pension formulas the employees received from the JPA's member agencies, provided the JPA employed the members within 180 days of the JPA's formation.

Later other public agencies forming, or adding to, a new JPA sought individual statutory accommodations to allow their JPA to offer their employees the classic pension formulas the employees received from their member agencies.

Intending to eliminate the need for public agencies to seek specific, individual statutory changes each time they sought to create a JPA, the Legislature further amended PEPRA to allow any JPA to offer employees who were classic members at the JPA's member agencies those classic pension formulas if it did so within 180 days of the JPA's formation.

2. Need for this bill?

According to the author, "… while Section 7522.05 of the Government Code clearly states which local government employees can retain their Classic status when transferring to work for a JPA, it is ambiguous whether employees from public agencies who join a JPA in future years and transfer to work for the JPA can retain their Classic status. Unless clarified, this interpretation would effectively prevent experienced employees from wanting to work for the JPA."

3. Author's Amendments

The current version of the bill as drafted does not accomplish the author's intent to allow the sponsors' JPA to offer classic pension formulas after the 180-day post-formation period.

The author has requested amendments that would accomplish her intent and make this bill applicable generally to any JPA throughout the state and not exclusively to a JPA formed by La Verne and Covina. Committee staff recommend that the committee adopt the amendments to avoid requiring each future public agency contemplating a JPA from having to come to the Legislature for individual statutory accommodations.

The amendments strike the current content of the bill and replace it by amending Government Code section 7522.05 as follows:

7522.05.

(a) A joint powers authority formed on or after January 1, 2013, and formed pursuant to the provisions of the Joint Exercise of Powers Act (Article 1 (commencing with Section 6500) of Chapter 5), where at least one member agency provided benefits on or before December 31, 2012, as described in subdivision (c) of Section 7522.02, may

provide employees of that joint powers authority the defined benefit plan or formula that those employees received from their respective employers prior to the exercise of a common power where that employee was not a new member with that employer and subsequently is employed by the joint powers authority within 180 days of the member agency providing for the exercise of a common power ***or, if the member agency is a non-founding member of the joint powers agency, within 180 days of becoming a member.***.

(b) The formation of a joint powers authority on or after January 1, 2013, shall not act in a manner as to exempt a new employee or a new member, as defined by Section 7522.04, hired by that joint powers authority from the requirements of the Public Employees' Pension Reform Act of 2013. New members may only participate in a defined benefit plan or formula that conforms to the requirements of the Public Employees' Pension Reform Act of 2013.

4. Committee Comments

This bill potentially eliminates barriers to forming JPAs that may benefit long-term, highly compensated public employees with classic pension formulas. By creating opportunities for those employees to secure new positions that may substantially increase their compensation, the bill could result in greater public pension liability for the JPA and derivatively, its member agencies if the JPA faces significant financial challenges or becomes insolvent. Were such conditions to exceed the member agencies' capacities to pay the resulting unfunded liability, the state could face significant pressure to bail out the JPA's member agencies.

On the other hand, in order to preserve employee benefits existing prior to PEPRA and to encourage public employee recruitment and movement among public employers, the committee has generally supported the position that employees should not lose their classic status when moving among public employers within 180 days of separation from their previous public employer.

5. Proponent Arguments

According to the City of La Verne:

"Under the current interpretation of CalPERS guidelines, employees transferring to the JPA more than 180 days after its formation may be denied the ability to retain their Classic CalPERS status and would instead be subject to the Public Employees' Pension Reform Act (PEPRA). This presents a major barrier to the successful regionalization of critical JPAs, particularly in the public safety sector, where senior employees are crucial to the JPA's success. The potential loss of Classic status is a significant disincentive for these experienced employees, who are integral to the JPA's operations. This also risks creating strong opposition from labor unions and public agencies, potentially jeopardizing efforts to expand the JPA and undermine the long-term success of the initiative.

SB 443 addresses this issue by clarifying that any new public agency joining the existing JPA qualifies as an "exercise of a common power," allowing the transfer of employees within 180 days and preserving their Classic CalPERS status. This will foster broader participation in

JPAs and promote the retention of senior public sector officers, ensuring the initiative can move forward successfully and deliver long-term benefits to our communities."

5. **Opponent Arguments:**

None received.

6. **Prior Legislation:**

SB 24 (Hill, Chapter 531, Statutes of 2016) authorized a JPA formed by the Belmont Fire Protection District, the Estero Municipal Improvement District, and the City of San Mateo on or after January 1, 2013, to provide employees the classic retirement formula that the employees received from their respective city employer forming the JPA prior to the JPA's formation.

SB 354 (Huff, Chapter 158, Statutes of 2015) clarified the time period during which a CalPERS classic member employed by the cities of Brea and Fullerton can transfer to a JPA formed by those two cites and retain classic benefit formulas received prior to the transfer.

SB 1251 (Huff, Chapter 757, Statutes of 2014) created the exemption in PEPRA to allow classic employees transferred to a new JPA formed by the cities of Brea and Fullerton after January 1, 2013, to retain their classic retirement benefits following transfer to and employment in the JPA.

SUPPORT

City of La Verne
City of Covina

OPPOSITION

None received.

-- END --

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

Bill No:	SB 447	**Hearing Date:**	March 26, 2025
Author:	Umberg		
Version:	February 18, 2025		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Jazmin Marroquin		

SUBJECT: Workers' compensation: death benefits

KEY ISSUE

This bill increases the age that minor dependents are able to continue to receive health benefits under the workers' compensation death benefits coverage when specified firefighters, peace officers, or Orange County Sheriff's Special Officers die in the line of duty, from 21 years to 26 years of age.

ANALYSIS

Existing law:

1) Establishes a comprehensive system of workers' compensation that provides a range of benefits for an employee who suffers from an injury or illness that arises out of and in the course of employment, regardless of fault. This system requires all employers to insure payment of benefits by either securing the consent of the Department of Industrial Relations to self-insure or by obtaining insurance from a company authorized by the state. (Labor Code §§3200-6002)

2) Provides workers' compensation death benefits if an employee dies from a work-related injury or illness. These include payments to a spouse, children, or any other dependent, as specified, as well as reasonable burial expenses, not exceeding $5,000 for injuries before January 1, 2013 and $10,000 for injuries on or after January 1, 2013. The amount of the death benefit depends on the number of total and/or partial dependents. (Labor Code §§4700-4709)

3) Requires the employer of a local employee who is a specified peace officer, firefighter, or Sheriff's Special Officer of the County of Orange and is killed in the performance of their duty or dies as a result of an accident or injury caused by external violence or physical force incurred in the performance of their duty to continue to provide health benefits to the deceased employee's spouse under the same terms and conditions provided prior to the death, or prior to the accident or injury that caused the death. However, the surviving spouse may elect to receive a lump-sum in lieu of monthly benefits. Minor dependents shall continue to receive benefits under the coverage extended to the surviving spouse or, if there is no surviving spouse, until the age of 21 years. (Labor Code §4856)

This bill:

1) Increases the age for minor dependents to continue to receive health benefits under the workers' compensation death benefits coverage provided to the surviving spouse or if there is

no surviving spouse, when specified firefighters, peace officers, or Orange County Sheriff's Special Officers die in the line of duty, from 21 years to 26 years of age.

COMMENTS

1. Background

Workers' compensation death benefits

If an employee dies from a work-related injury or illness, death benefits are available as payments to a spouse, children, or any other dependent. This includes reasonable burial expenses, not exceeding $5,000 for injuries before January 1, 2013 and $10,000 for injuries on or after January 1, 2013. The amount of the death benefit depends on the number of total and/or partial dependents. In the case of one or more totally dependent minors, after the first payment, death benefits will continue until the youngest minor's 18th birthday. Death benefits are paid at the temporary total disability rate (TTD), but not less than $224.00 per week. In January 2025, the Division of Workers' Compensation announced that the minimum TTD rate increased from $242.86 to $252.03, and the maximum TTD rate increased from $1,619.15 to $1,680.29 per week.

Additional health benefits for minor dependents of peace officers and firefighters

Employers of specified firefighters, peace officers, or Orange County Sheriff's Special Officers that die in the line of duty are also required to continue providing health benefits to the deceased employees' spouse under the same terms and conditions provided prior to the employee's death or prior to the accident or injury that caused the death. The surviving spouse may elect to receive a lump-sum survivor's benefit instead of monthly benefits. Minor dependents also are entitled to continue to receive health benefits under the coverage that is provided to the surviving spouse or if there is no surviving spouse, until the dependent turns 21 years of age. This bill proposes to increase that age to 26.

Raising the age to 26 for continued health benefits

In 2010, the Patient Protection and Affordable Care Act, also known as the Affordable Care Act (ACA) was enacted as a comprehensive health care reform law. Before the ACA, many health plans and issuers could remove adult children from their parents' coverage because of their age, whether or not they were a student or where they lived. The ACA requires plans and issuers that offer dependent child coverage to make the coverage available until the adult child reaches the age of 26. Now, many parents and their children who worried about losing health coverage after they graduated from college no longer have to worry. This rule applies to all plans in the individual market and to all employer plans.

2. Need for this bill?

According to the author:

"In California, minor dependents of peace officers and firefighters who were killed in the line of can receive employer health benefits until they reach the age of 21. The age of 21 was originally chosen to stay in alignment with the age in which dependent children were allowed to stay on their parents' health insurance. In 2010, when the Affordable Care Act (ACA) was passed, the age limit requirement was raised to 26. However, California law has not kept up with Federal law and the age still remains at 21. While employers of firefighters or peace officers generally honor the 26-year age limit of the ACA, there is nothing in California law that prevents them from capping the age that minor dependents receive health benefits at 21.

It remains a real possibility that these children whose parents died in the line of duty will be left without the health benefits they were previously guaranteed. Allowing minor dependents of deceased peace officers and firefighters to access health benefits until they are 26 would be a small but greatly impactful gesture that would align the age with the ACA's requirement. The ACA increased the age to 26 to account for the financial instability and career volatility that many young adults experience. For those who lost a parent in the line of duty, there may be extra challenges to securing financial stability in early adulthood."

3. Proponent Arguments

According to the sponsors, the Association of Orange County Deputy Sheriffs:

"Our cities and counties owe it to the peace officers and firefighters and their families who paid the ultimate sacrifice to protect our communities. Allowing minor dependents of our heroic peace officers and firefighters killed in the line of duty to access health benefits until they are 26 would be an important and meaningful gesture. This would align California law with the ACA's requirement. Many years ago, the ACA increased the age to 26 to account for the financial instability and career volatility that many young adults experience. It is not uncommon for the children of our law enforcement and firefighter heroes to have a huge challenge to overcome their loss of a parent killed in the line of duty, and burdening them with the loss of employer health benefits is not fair. These dependents, who have already dealt with the hardship of losing a parent, should be subject to the same rules as those with living parents and have an extra five years to find health insurance."

4. Opponent Arguments:

None received.

5. Prior Legislation:

AB 1368 (Eduardo Garcia, 2019) would have provided the children and spouses of a firefighter employed by a fire tribal department with educational scholarships and health benefits should they die or become totally disabled in the line of duty. *This bill was never set for a hearing in the Assembly Insurance Committee.*

AB 2069 (Solorio, Chapter 819, Statutes of 2012) provided the children and spouses of a Sheriff's Special Officer of the County of Orange with educational scholarships and health benefits should they die or become totally disabled in the line of duty.

SB 563 (Brulte, Chapter 193, Statutes of 1997) required 1) employers to continue providing health benefits to the deceased employee's spouse and minor dependents under the same terms and conditions provided prior to the death, or prior to the accident or injury that caused the death, of the employee, and 2) local employers to continue to provide these health benefits to the spouses and dependents of deceased firefighters or peace officers who died in the line of duty prior to September 30, 1996.

SB 563 (Brulte, Chapter 193, Statutes of 1997) requires local employers to continue to provide health benefits to the spouses and minor dependents of deceased firefighters or peace officers who died in the line of duty prior to September 30, 1996.

AB 3478 (Aguiar, Chapter 1120, Statutes of 1995) requires local employers to continue to provide health benefits to the spouses and dependents of firefighters and peace officers who died in the line of duty.

SUPPORT

Association of Orange County Deputy Sheriff's (Sponsor)
California Fraternal Order of Police
Long Beach Police Officers Association
Sacramento County Deputy Sheriffs' Association
Sheriff's Employee Benefits Association (SEBA)

OPPOSITION

None received.

-- END --

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

Bill No:	SB 230	**Hearing Date:**	March 26, 2025
Author:	Laird		
Version:	March 4, 2025		
Urgency:	No	**Fiscal:**	No
Consultant:	Jazmin Marroquin		

SUBJECT: Workers' compensation: firefighters

KEY ISSUE

This bill expands rebuttable presumptions that specified diagnoses are occupational and therefore covered by workers' compensation to active firefighting members of a fire department that serve a United States Department of Defense installation, a National Aeronautics and Space Administration installation, and provide fire protection to a commercial airport, as specified.

ANALYSIS

Existing law:

1) Establishes a comprehensive system of workers' compensation that provides a range of benefits for an employee who suffers from an injury or illness that arises out of and in the course of employment, regardless of fault. This system requires all employers to insure payment of benefits by either securing the consent of the Department of Industrial Relations to self-insure or by obtaining insurance from a company authorized by the state. (Labor Code §§3200-6002)

2) Creates a series of rebuttable presumptions of an occupational injury for peace and safety officers for the purpose of the workers' compensation system. These presumptions include: heart disease, hernias, pneumonia, cancer, tuberculosis, blood-borne infectious disease or methicillin-resistant Staphylococcus aureus skin infection (MRSA), bio-chemical illness, and meningitis. The compensation awarded for these injuries must include full hospital, surgical, medical treatment, disability indemnity, and death benefits, as provided by workers' compensation law. (Labor Code §§3212-3213.2)

3) Provides, until January 1, 2029, a rebuttable presumption that a diagnosis of Post-Traumatic Stress Disorder (PTSD) injuries for specified peace officers and firefighters is an occupational injury. The benefit includes full hospital, surgical, medical treatment, disability indemnity, and death benefits, but only applies to peace officers who have served at least six months. (Labor Code §3212.15)

This bill:

1) Expands the rebuttable presumptions for heart disease, hernias, pneumonia, tuberculosis, blood-borne infectious disease or methicillin-resistant Staphylococcus aureus skin infection (MRSA), bio-chemical illness, and meningitis to all of the following active firefighting members of:

a. A fire department that serves a *United States Department of Defense installation* and is certified by the United States Department of Defense as meeting its standards for firefighters.
b. A fire department that serves a *National Aeronautics and Space Administration installation* and adheres to training standards established in accordance with specified Health and Safety Code provisions, and
c. A fire department that provides fire protection to a *commercial airport* regulated by the Federal Aviation Administration (FAA) and is trained and certified by the State Fire Marshall, as specified.

2) Expands the rebuttable presumptions for cancer and post-traumatic stress disorder injuries to active firefighting members of a fire department that provides fire protection to a *commercial airport*, as specified.

COMMENTS

1. Background

Workers' Compensation Presumptions
The Legislature has created disputable or rebuttable presumptions within the workers' compensation system, which shifts the burden of proof in an injury claim from the employee to the employer. If an injury is covered by a presumption, the employer, in most cases, carries a larger burden to prove the injury is not related to work. For certain occupations, such as firefighters and peace officers, where employees can be exposed to more types of injuries than in other occupations, the law provides presumptions for injury and illness more likely to be caused by work-related exposure.

Currently, some firefighters have rebuttable presumptions that the following diagnoses are occupational injuries for purposes of workers' compensation coverage:

- Heart disease, hernias, pneumonia,
- Cancer,
- Post-traumatic stress disorder injuries (PTSI)[1]
- Tuberculosis,
- Blood-borne infectious disease or methicillin-resistant Staphylococcus aureus skin infection (MRSA),
- Bio-chemical illness, and
- Meningitis.

Under existing law, active firefighting members of a fire department that provides fire protection to a *National Aeronautics and Space Administration (NASA) installation*, or *United States Department of Defense (DOD) installation* have rebuttable presumptions only for: cancer and PTSI. This bill proposes to extend the full list of rebuttable presumptions - heart disease, hernias, pneumonia, tuberculosis, MRSA, bio-chemical illness, and meningitis – that are occupational injuries to these firefighters.

[1] For purposes of this analysis, post-traumatic stress disorder injuries and PTSI will be used interchangeably.

When originally created, the presumption of cancer as an occupational injury was only extended to city, county, city and county, and municipal fire departments, as well as the University of California and the California State University fire departments. Over time, this exemption has been extended to additional groups of firefighters, including fire departments on Department of Defense installations (SB 1271, 2008), and then to firefighters at NASA (SB 585, 2011).

The table below shows which firefighter workers' compensation presumptions exist in current law.

Workers' Compensation Presumptions	**DOD Firefighters**	**NASA Firefighters**	**Commercial airport Firefighters**
Heart, hernia, pneumonia [2]	No	No	No
Cancer [3]	*Included*	*Included*	No
Post- traumatic disorder injuries (PTSI) [4]	*Included*	*Included*	No
Tuberculosis [5]	No	No	No
Blood-borne disease & MRSA [6]	No	No	No
Biochemical [7]	No	No	No
Meningitis [8]	No	No	No

This bill proposes to expand all of the existing workers' compensation presumptions, as shown in the table above, to firefighters at DOD, NASA, and commercial airports, as defined.

According to the author and sponsors, closing the gap on the workers' compensation presumptions for firefighters employed at NASA, DOD installations, and at commercial airports will cover about 538 additional firefighters (452 working at the DOD and NASA, and 86 covering the airports).

Please note: Although firefighters at a *commercial airport* are not included in any of the existing rebuttable presumption protections, these firefighters were included in the rebuttable presumptions for COVID-19, but those provisions expired on January 1, 2024.

2. Need for this bill?

According to the author:

"Firefighters and other public safety employees work in dangerous, demanding jobs for the public good, risking their lives each day protecting our communities. The nature of their

[2] Labor Code §3212
[3] Labor Code §3212.1
[4] Labor Code §3212.15
[5] Labor Code §3212.6
[6] Labor Code §3212.8
[7] Labor Code §3212.85
[8] Labor Code §3212.9

work is such that certain injuries and illnesses are more likely contracted on the job than that of other professions, oftentimes with catastrophic or deadly consequences.

It is on account of these dangers and many others that lawmakers have established rebuttable presumptions in the workers' compensation system over the course of the last 40 years to improve access to care for injured firefighters.

Existing presumptions for firefighters include cancer, tuberculosis, post-traumatic stress, bio-chemical exposures, meningitis, and others. These presumptions ensure that firefighters who risk their lives in public service can access medical treatment for their work-caused injuries quickly and efficiently, and have their claim processed expediently. This allows firefighters to more efficiently adjudicate their claims and successfully return to the job they love. Additionally, presumptions serve to streamline these claims and reduce frictional costs within the system.

While existing presumptions cover municipal, county, and state firefighters in California, they are not extended to every professional firefighter working in the state. While the definitions in sections (a) of Labor Code 3212.1 and Labor Code 3212.15 respectively both include Department of Defense (DOD) installations and NASA facilities in cancer and post-traumatic stress presumptions, none of the other presumptions in statute include these provisions, leaving federal firefighters and those employed at airports and NASA installations out of their coverage. This omission leaves them vulnerable to delayed or denied care when they are stricken with the same illnesses as their fellow firefighters throughout the state."

3. Staff Comments

Expansion of rebuttable presumptions

The author and sponsors note that the NASA and airport firefighters are not federal employees; they are privately contracted and get state workers' compensation benefits. They also state that the DOD firefighters are federal employees and do not get state worker's compensation benefits; they are subject to federal workers' compensation protections. In fact, the National Defense Authorization Act of 2023 (NDAA), Section 5305 "Fairness for Federal Firefighters," which was signed into law on December 23, 2022, established that certain illnesses and diseases, like cancer, are presumed to be caused by employment in federal fire protection activities. That law aimed at providing federal firefighters the same protections as those used by state and local governments. This bill, SB 230, proposes to expand the state's workers' compensation presumptions to include all firefighters serving in California, no matter where they work.

It is also worth noting that ***the Legislature has already extended some workers' compensation presumptions for these firefighters***. DOD and NASA firefighters are already afforded rebuttable presumptions for cancer and post-traumatic stress disorder injuries. Extending the rest of the existing presumptions to the DOD, NASA, and airport firefighters would be consistent with policy the State has previously supported and approved.

In fact, the sponsors note that firefighters at all these facilities are especially at-risk and perform duties that municipal or county firefighters might not encounter regularly. This includes "dangerous chemical fires, interacting with heavy equipment such as airplanes or related machinery, or responding to fires involving military apparatus [and] extended

exposures to toxic chemicals such as PFAS contained in aqueous film forming foam (AFFF) used at airports and other facilities to extinguish flammable liquid fires." They argue that this measure seeks to provide equity to all professional firefighters serving in California, no matter where they work. They further state, "[t]he fact that a firefighter performs their duties at a Department of Defense installation, or an airport should not prevent them from accessing this care, and this measure will end that inequity."

4. Proponent Arguments

According to the sponsors, the California Professional Firefighters:

"Firefighters and other public safety employees work in dangerous, demanding jobs for the public good, risking their lives each day protecting their communities. The nature of their work is such that certain injuries and illnesses are more likely contracted on the job than that of other professions, oftentimes with catastrophic or deadly consequences.

It is on account of these dangers and many others that over the course of the last 40 years lawmakers have established rebuttable presumptions in the workers' compensation system to improve access to care for injured workers, allow them to more efficiently adjudicate their claims, and successfully return to the job they love. Additionally, presumptions serve to streamline these claims and reduce frictional costs within the system. The protections provided by workers' compensation presumptions are invaluable to the firefighters that are impacted by job-caused illnesses. When diagnosed with a serious illness such as cancer or heart disease, the most important focus should be on treatment and recovery, not struggling to have a workers' compensation claim approved.

Unfortunately, not all California firefighters are extended these critical protections. Firefighters who are employed at Department of Defense installations, airports, and NASA facilities are not included in most, and in some cases, all of the Labor Code sections that establish the presumptions, leaving them vulnerable to cruel denials when they are stricken with the same illnesses as their brothers and sisters throughout the state."

5. Opponent Arguments:

None received.

6. Prior Legislation:

SB 623 (Laird, Chapter 621, Statutes of 2023) extended the sunset until January 1, 2029 for a rebuttable presumption that a diagnosis of post-traumatic stress disorder injuries for specified peace officers and firefighters is an occupational injury, and required the Commission on Health and Safety and Workers' Compensation to submit both reports to the Legislature analyzing the effectiveness of the presumption and a review of claims filed by specified types of employees not included in the presumption, such as public safety dispatchers, as defined.

AB 699 (Weber, 2023, Vetoed) would have extended rebuttable presumptions for hernia, pneumonia, heart trouble, cancer, tuberculosis, blood-borne infectious disease, methicillin-resistant Staphylococcus aureus skin infection, and meningitis-related illnesses and injuries

to a lifeguard employed on a year-round, full-time basis in the Boating Safety Unit by the City of San Diego Fire-Rescue Department, as specified. It would also have expanded the presumptions for post-traumatic stress disorder or exposure to biochemical substances, as defined, to a lifeguard employed in the Boating Safety Unit by the City of San Diego Fire-Rescue Department. *Governor Newsom vetoed this bill. In his veto, he stated:*

> "A presumption is not required for an occupational disease to be compensable. Although lifeguards engage in hazardous responsibilities, a presumption should be provided sparingly and based upon the unique hazards or proven difficulty of establishing a direct relationship between a disease or injury and the employee's work. Although well-intentioned, the need for the presumption envisioned by this bill must be supported by clear and compelling evidence."

AB 597 (Rodriguez, 2023) would have, for injuries occurring on or after January 1, 2025, created a rebuttable presumption for emergency medical technicians and paramedics that PTSI is an occupational injury and covered under workers' compensation. *This bill was held in the Assembly Committee on Insurance.*

SB 284 (Stern, 2022, Vetoed) would have expanded the existing PTSI rebuttable presumption to specified public first responders. *Governor Newsom vetoed the bill. In his veto, he stated:*

> "Current law, applicable for injuries occurring on or after 2020 and to be repealed on 1/1/2025, allows a rebuttable presumption of PTSD injury to apply for specified classes of active firefighting members, peace officers, and fire and rescue service coordinators who work for the Office of Emergency Services. This presumption is a careful step acknowledging the increasingly hazardous conditions to which the subject class members are exposed, balanced against the principles of workers' compensation law that dictates conservatism with respect to presumptions and psychiatric injuries. As such, it was intended to allow for the study of the benefits and effectiveness of the PTSD presumption.
>
> Expanding coverage of the PTSD injury presumption to significant classes of employees before any studies have been conducted on the existing class for whom the presumption is temporarily in place could set a dangerous precedent that has the potential to destabilize the workers' compensation system going forward, as stakeholders push for similarly unsubstantiated presumptions."

SB 1159 (Hill, Chapter 85, Statutes of 2020) created a rebuttable presumption for specified employees, including active firefighting members of a fire department that provides fire protection to a commercial airport, as defined, that illness or death resulting from COVID-19 under specified circumstances, and until January 1, 2023, is an occupational injury and therefore covered by workers' compensation.

SB 542 (Stern, Chapter 390, Statutes of 2019) created the rebuttable presumption for specified peace officers that a diagnosis of PTSI is occupational and therefore covered by workers' compensation.

SB 585 (Fong, Chapter 550, Statutes of 2011) extended the rebuttable presumption that cancer is an occupational injury and covered by workers' compensation to active firefighting

members of a fire department serving a NASA installation who adhere to specified training standards.

SB 1271 (Cedillo, Chapter 747, Statutes of 2008) extended the rebuttable presumption of cancer as an occupational injury for firefighters to firefighters on DOD installations.

SUPPORT

California Professional Firefighters (Sponsor)
Burbank Airport Professional Firefighters Local I-16
California Federation of Labor Unions, AFL-CIO
Moffett Field Firefighters Association Local I-79
NASA JPL Professional Firefighters Local I-94

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:	SB 494	**Hearing Date:**	March 26, 2025
Author:	Cortese		
Version:	February 19, 2025		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Glenn Miles		

SUBJECT: Classified school and community college employees: disciplinary hearings: appeals: contracted administrative law judges

KEY ISSUE

This bill allows a school or community college classified employee (excluding a peace officer) to appeal disciplinary action to an administrative law judge who is paid by the employer and jointly selected by the employer and the employee or the employee's union, unless the union and the employer have entered into a memorandum of understanding (MOU) providing an alternative method of appealing disciplinary action.

ANALYSIS

Existing law:

1) Authorizes K-12 school and California Community College (CCC) district classified employees to elect a merit (i.e., civil service) system for their district whereby the district's board establishes a personnel commission and personnel director to administer personnel rules established in statute. (Education Code §§45220 et seq. and §§88050 et seq.)

2) Establishes rules and regulations governing all K-12 and CCC classified personnel including those in non-merit districts (i.e., where a district has not established a merit system and the governing board retains direct decision authority over classified personnel issues). Key provisions related to the disciplinary process for classified employees do the following:

   a. Require K-12 and CCC district boards to prescribe written rules and regulations governing classified personnel management that must be printed and made available to classified service employees whom the district designates as permanent after serving a probationary period not to exceed the longer of six months or 130 days of paid service, or one-year for peace officer employees, as specified.

   b. Provide that a K-12 or CCC district may discipline their permanent classified employees only for cause as prescribed by board rules or regulations but also provide that the board's determination of sufficiency of the cause for disciplinary action is conclusive.

   c. Require a district board to adopt rules of procedure for disciplinary proceedings that provide for the employees' due process rights, as specified; place the evidentiary burden of proof on the board; and void any contrary rule or regulation.

   d. Prohibit a district from imposing disciplinary action for any cause that arose prior to the employee attaining permanent status, or for any cause that arose more than two years

before the district filed the notice of cause, unless the employee concealed or failed to disclose the cause when the employee reasonably should have disclosed the facts to the district.

e. Clarify that a board continues to have authority to delegate disciplinary determinations to an impartial third party hearing officer, as specified, pursuant to a bargaining agreement but must retain its authority to review the hearing officer's determination pursuant to Civil Procedure Code Section 1286.2.

f. Require a board to delegate cases involving disciplinary action against an employee for allegations of egregious conduct involving a minor, to an administrative law judge, as specified, and make the judge's ruling binding on all parties.

g. Prohibit the board, if the employee timely requests a hearing, from suspending the employee without pay or with reduced pay or from dismissing the employee before the board renders its decision at a hearing on the charges.

   i) However, the board may do so if an impartial third-party hearing officer finds at a preliminary (Skelly) hearing that the district demonstrated by a preponderance of the evidence that the employee engaged in criminal or risky misconduct, as specified.

   ii) If the board uses an impartial third-party hearing officer, as specified, to conduct the hearing on the charges, the board may suspend the employee's pay, before the determination on the charges, 30 days after the employee requested the hearing.

   iii) To the extent that this subdivision on suspension of pay conflicts with a provision of a collective bargaining entered into before January 1, 2023, this subdivision shall not apply to the school district until the expiration or renewal of that collective bargaining agreement.

h. Provide that provisions involving classified employee discipline only apply to districts that have not incorporated the merit system (i.e., have not adopted a personnel commission, as specified).
(Education Code §§45113 et seq. and §§88013 et seq.)

3) Requires a notice of disciplinary action to contain: a statement in ordinary and concise language of the specific acts and omissions upon which the disciplinary action is based; a statement of the cause of the action to be taken; and, if there is a claim that an employee has violated a rule or regulation of the employer, the rule or regulation. The provision also describes when a notice is insufficient and the consequences when a notice violates the provision's requirements. (Education Code §45116 and §88016)

4) Establishes the Education Employer-Employee Relations Act (EERA), which provides a statutory framework under California law governing employer-employee relations within the public schools and community college system and authorizing collective bargaining between school employers and their school employees, as specified. (Government Code §3540 et seq.)

5) Establishes the Public Employment Relations Board (PERB), a quasi-judicial administrative agency charged with resolving disputes and enforcing the statutory duties and rights of public agency employers and employee organizations, as specified. (Government Code §3541 et seq.)

6) Establishes the Administrative Procedure Act (APA), the Office of Administrative Hearings (OAH), an executive director of that office, and authorizes the executive director to appoint and maintain a staff of full-time and pro tempore part-time administrative law judges who each shall have been admitted to practice law in this state for at least five years immediately preceding his or her appointment and shall possess any additional qualifications established by the State Personnel Board, as specified. (Government Code §§11370-11370.3, 11500-11502)

7) Allows any county or other local public entity to contract with the Office of Administrative Hearings for services for an administrative law judge or a hearing officer to conduct proceedings pursuant to this chapter. (Government Code §27727)

8) Defines "local agency" under the APA to mean a county, city, district, public authority, public agency, or other political subdivision or public corporation in the state other than the state but does not apply its provisions to a local agency except to the extent the provisions are made applicable by statute. (Government Code §11410.30)

9) Applies the APA to an adjudicative proceeding required to be conducted under Chapter 5 (commencing with Section 11500) unless the statutes relating to the proceeding provide otherwise. (Government Code §11410.50)

This bill:

For Non-merit system K-12 school districts:

1) Creates an unspecified exemption to existing law regarding the conclusiveness of a school board's determination of the sufficiency of the cause for disciplinary action.

2) Increases the timeframe in which a hearing relating to disciplinary charges may be requested by an employee from not less than five days, to 30 days, after service of the notice to the employee

3) Provides that if these provisions conflict with those of a collective bargaining agreement, as provided, before January 1, *2023*, these provisions do not apply to a CCC district until the collective bargaining agreement is expired or renewed.

4) Authorizes a permanent classified school district employee, excluding a peace officer, to appeal a disciplinary action to an administrative law judge (ALJ) paid by the school district, and jointly selected by the school district and the employee or the employee's union, unless the union and the district enter into an agreement that provides for an alternative method of disciplinary appeal or selection of an impartial third-party hearing officer.

5) Limits judicial review of the ALJ's determination to the standards of subdivision (a) of Section 1286.2 of the Code of Civil Procedure, which deal with overturning awards of arbitrators in private arbitration based on fraud by the arbitrators.

6) Defines "administrative law judge" to mean an ALJ contracted from the OAH pursuant to Section 27727 of the Government Code.

7) Requires a school board, an impartial third-party hearing officer, or an ALJ, as applicable, to delegate its authority to a judge to determine whether sufficient cause exists for disciplinary action against a classified employee involving allegations of egregious misconduct and involving a minor. The ruling of the judge must be binding upon all parties.

8) Defines "disciplinary action" to mean dismissals and suspensions of classified employees and demotions of nonsupervisory classified employees, and does not include reprimands or warnings whether verbal or written.

For Non-merit system California Community College districts (CCC:

9) Eliminates existing law that makes the CCC board's determination of the sufficiency of the cause for disciplinary actions conclusive.

10) Increases the timeframe in which a hearing relating to disciplinary charges may be requested by an employee from not less than five days, to 30 days, after service of the notice to the employee.

11) Provides that if a classified CCC employee requests a hearing on charges against the employee, an ALJ, paid for by the district and jointly selected by the district and the employee or the employee's union, must preside over the hearing and provide a determination as to the outcome of the disciplinary action.

12) Provides for judicial review on petition of the CCC board or the employee of the ALJ's determination but limits judicial review to the standards of subdivision (a) of Section 1286.2 of the Code of Civil Procedure, which deal with overturning awards of arbitrators in private arbitration based on fraud by the arbitrators. Yet, also requires that the court review and exercise its independent judgment on the evidence.

13) Requires the proceeding to be set for a hearing at the earliest possible date and take precedence over all other cases, except older matters of the same character and matters to which the law gives special precedence.

14) Applies the bill's provisions to CCC classified employees employed by a Joint Powers Agency established by one or more CCC districts.

15) Provides that if these provisions conflict with those of a collective bargaining agreement, as provided, before January 1, 2026, these provisions do not apply to a CCC district until the collective bargaining agreement is expired or renewed.

16) Defines "disciplinary action" to exclude verbal or written reprimands or warnings.

17) Includes provisions relating to state reimbursement, if the Commission on State Mandates determines that this bill results in state mandated.

COMMENTS

1. Background

Merit vs non-merit districts
The merit system is a series of rules and procedures contained in statute governing classified school personnel. The merit system statutes are similar to those establishing the parameters for state and federal civil service. The merit system's fundamental purpose is to ensure that public employers select and promote employees based on merit and without favoritism or prejudice.

The core principles of the merit system are as follows:

- Hiring and promoting employees by competitive examination.
- Providing fair compensation.
- Retaining employees on the basis of performance.
- Assuring equal and fair personnel practices to applicants and employees without regard to political affiliation, race, color, national origin, sex, age, disability, religious creed, and with proper regard for privacy and constitutional rights as citizens.

The requirements of this bill only apply to school and CCC districts not currently incorporating the merit system.

Discipline and due process for classified school employees
Permanent classified school employees have a property interest in their jobs, which requires their school or CCC district to comply with due process elements before imposing discipline. The due process rights of classified employees include the following three components:

- *Notice of charges.* Classified employees have the right to receive notification in writing of the charges against them. The document must set forth the "cause" for which the action is taken, and "…in ordinary and concise language, the specific acts or omissions upon which the disciplinary action is based…" In non-merit districts, classified employees cannot be subject to acts that occurred while the employee was on probation or that are over two years old.

- *Right to respond orally and in writing.* In a merit system school district, the governing board and its management agents impose discipline and must afford employees a "Skelly" conference where the employee has the right to respond orally and in writing to the charges. The district's "Skelly" hearing officer is supposed to be an "objective official" from the district. An employee has the right then to appeal any imposed discipline to the personnel commission (or its hearing officer), whose findings are binding upon the employee and the district.

  In non-merit districts, the governing board's management agents propose the disciplinary action, providing the employee with written charges and five (5) days to request a hearing. The Governing Board may hear the case or the parties may delegate the hearing to a hearing officer or arbitrator but "... the governing board's determination of the sufficiency of cause for disciplinary action shall be conclusive," unless there is binding arbitration in the employee's contract.

- *Right to representation.* Classified employees have a right to be represented at all investigative meetings that could reasonably lead to discipline and any meeting to challenge the discipline.

2. Committee Comments

This bill attempts to provide non-merit district classified employees similar rights as teachers and other public employees (including, generally, classified employees in merit districts) whereby neutral third parties decide employee disciplinary appeals. Proponents argue that the bill simply provides parity and fairness. Opponents argue that the bill will result in unnecessary delays and costs and that the legislation incentivizes the union to appeal all disciplinary actions since the cost will be borne by the district.

Generally, this committee's remit is to ensure the protection of employee rights and working conditions. Fiscal committees have the remit to assess cost considerations. However, the bill contains drafting issues that the proponent should address to clarify the impact on existing MOUs, the ALJ's process, and the extent of judicial oversight, as follows:

a) Existing law prohibits a governing board from suspending the pay of an employee who timely appeals a disciplinary action until the board renders a decision after a hearing. However, if the board has agreed to hold hearings with an impartial third-party hearing officer or has entered into an agreement with the union to delegate board authority regarding the sufficiency of cause for disciplinary action, than the board may stop the employee's pay 30 days before the hearing. Existing law also shields existing MOUs entered into before January 1, 2023, that conflict with this provision until the MOU expires or is renewed. This bill deletes the condition by which the board can suspend the employee's pay, presumably because the bill would no longer permit the board to decide discipline unilaterally. Notably, since this bill does not amend the MOU effective dates, this provision would take effect in January 1, 2026, overriding any conflicting MOU.

b) This bill appears to retain portions of SB 433 (Cortese, 2023) regulating arbitrations that provide that judicial review be limited to Civil Code provisions that require the court to vacate arbitration awards procured through fraud by the arbitrators. It is not clear that reference to such provisions are appropriate where this bill substitutes SB 433's use of arbitration with the ALJ process. As drafted, it is unclear that the bill permits any judicial review of an ALJ's determination except, possibly a challenge based on an accusation of fraud by the ALJ. However, at the same time, but for CCC districts only, the bill seems to require courts to exercise their independent judgement on the evidence and requires boards, ALJs, or courts (unclear from the drafting) to give priority to disciplinary appeals from classified employees over all other cases.

3. Recommended Committee Amendments

The committee recommends the following amendments to address the concerns above but is cognizant that the author and the proponents may desire different or further edits to clarify and tailor the bill's provision to adequately accomplish the author's goals.

<u>Education Code § 45113 (f)(3):</u>

To the extent that this subdivision conflicts with a provision of a collective bargaining agreement entered into by a public school employer and an exclusive bargaining representative before January 1, ~~2023~~ **2026**, pursuant to Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code, this subdivision shall not apply to the school district until the expiration or renewal of that collective bargaining agreement.

Education Code § 45113 (g)(2)

(2) If a hearing is requested by the employee pursuant to this subdivision, the proceeding shall be conducted and a decision made in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code and the governing board shall have all the power granted to an agency in that chapter.

~~(2) The administrative law judge's determination shall be subject to judicial review pursuant to the standards of subdivision (a) of Section 1286.2 of the Code of Civil Procedure.~~

Education Code § 88013 (e)(2):

If a hearing is requested by the employee pursuant to this subdivision, the proceeding shall be conducted and a decision made in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code and the governing board shall have all the power granted to an agency in that chapter.

~~The administrative law judge's determination shall be subject to judicial review, on petition of either the governing board or the employee, pursuant to the standards of subdivision (a) of Section 1286.2 of the Code of Civil Procedure and in the same manner as a decision made by an administrative law judge under Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. The court, on review, shall exercise its independent judgment on the evidence. The proceeding shall be set for hearing at the earliest possible date and shall take precedence over all other cases, except older matters of the same character and matters to which special precedence is given by law.~~

Education Code § 88013 (f)(3):

To the extent that this subdivision conflicts with a provision of a collective bargaining agreement entered into by a public school employer and an exclusive bargaining representative before January 1~~, 2023~~ **2026**, pursuant to Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code, this subdivision shall not apply to the community college district until the expiration or renewal of that collective bargaining agreement.

4. Need for this bill?

According to the author:

"Under current law for non-merit districts and community colleges, the default is that a governing board conducts a hearing if an employee exercises their right to challenge disciplinary action taken against the employee by the district.

This deprives many classified employees of a fair appeal because governing boards typically vote to take the initial disciplinary action. It is unfair for the same board that voted to discipline an employee to also be the appellate body. This is also contrary to how discipline appeals for most other public employees, including teachers, are determined."

5. **Proponent Arguments:**

According to the California School Employees Association:

"Discipline appeal hearings for classified school employees are normally decided by school district or community college governing boards. These boards are typically the same body that voted on the initial disciplinary decision. It is unfair for the same board that took the initial vote to discipline an employee to also be the appellate body.

Current law requires a neutral third party to settle discipline appeal hearings involving most public sector employees, not including classified school employees. For example, school boards are not involved in discipline appeal hearings for teachers. The Commission on Professional Competence is tasked with overseeing disciplinary appeal proceedings involving TK-12 teachers. The commission consists of three people appointed for each disciplinary case: an administrative law judge working for the State Office of Administrative Hearings, a management appointed commissioner and a commissioner designated by the teacher.

SB 494 would require an administrative law judge or independent hearing officer to determine on appeal if a permanent classified employee in a non-merit district should be subject to disciplinary action. The administrative law judge or independent hearing officer would be selected jointly by the district and labor union. The district would be responsible for paying for whomever is chosen.

This bill would provide parity because classified employees should not be denied fair appeal rights granted to teachers and most other public employees. SB 494 would still allow unions and districts to negotiate alternative appeal hearings in their collective bargaining agreements."

6. **Opponent Arguments:**

According to a coalition of school employers, including the California School Boards Association, this bill:

- Undermines a local educational agency's (LEAs) authority to make the ultimate disciplinary action of a classified staff person and places it into the hands of an unelected administrative law judge (ALJ).
- Makes the ALJ's decision final, thus further removing the school district and county board of education's authority to determine whether the staff should be retained.

- Establishes a "one-size fits all" approach, creating a blanket requirement for many disciplinary matters that would increase the number of appeals that will occur at the local level regardless of the merits of the case.
- Mandates the LEA pay for a hearing officer that the LEA and the union jointly select contravening current practice of bargaining the disciplinary process at the local level.
- Would cause the cost of a single case to range from the high tens of thousands to hundreds of thousands of dollars.
- Would result in delays in resolving sensitive personnel matters, especially for small and rural LEAs, where an ALJ's cost and availability will place substantial burdens on LEAs.
- Creates concerns that the lack of adequately trained and funded ALJs would result in delayed decisions due to increased caseloads.

7. Dual Referral:

The Senate Rules Committee referred this bill to the Senate Labor, Public Employment and Retirement Committee and the Senate Education Committee for review.

8. Prior Legislation:

SB 433 (Cortese, 2023) was substantially the same as this bill. *The Governor vetoed SB 433. In his veto message, the Governor stated the following*:

> "This bill requires an impartial third-party hearing officer to hear disciplinary appeals of permanent classified personnel at school or community college nonmerit districts. This bill also requires the district to pay for the third-party hearing officer, and for the third-party hearing officer to be jointly selected by the district and the classified employee from a list of arbitrators, unless the parties agree otherwise.
>
> Under the status quo for certificated employees, the district absorbs the full cost of appeals hearings if the employee prevails. If it is determined that the certificated employee should be dismissed or suspended, the cost is shared equally with the State and the district. This bill for classified employees requires districts to bear the full costs of a disciplinary hearing before an arbitrator, no matter the outcome. This could increase the number of appeals and would create significant costs for the State and must be considered in the annual budget in the context of all state funding priorities.
>
> In partnership with the Legislature, we enacted a budget that closed a shortfall of more than $30 billion through balanced solutions that avoided deep program cuts and protected education, health care, climate, public safety, and social service programs that are relied on by millions of Californians. This year, however, the Legislature sent me bills outside of this budget process that, if all enacted, would add nearly $19 billion of unaccounted costs in the budget, of which $11 billion would be ongoing.
>
> With our state facing continuing economic risk and revenue uncertainty, it is important to remain disciplined when considering bills with significant fiscal implications, such as this measure.
>
> For these reasons, I cannot sign this bill."

SUPPORT

American Federation of State, County and Municipal Employees (Co-sponsor)
California School Employees Association (Co-sponsor)
California Federation of Labor Unions
California Teamsters Public Affairs Council

OPPOSITION

Alameda County Superintendent of Schools
Alameda Unified School District
California School Board Association
California Association of School Business Officials
California County Superintendents
California School Boards Association
Dublin Unified School District
Office of the Riverside County Superintendent of Schools
Orange County Department of Education
Pleasanton Unified School District
School Employers Association of California
Small School Districts' Association

-- END --

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

Bill No:	SB 605	**Hearing Date:**	March 26, 2025
Author:	Cortese		
Version:	February 20, 2025		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Glenn Miles		

SUBJECT: State attorneys and administrative law judges: compensation

KEY ISSUE

This bill requires that the salaries of state attorneys and related state employees in Bargaining Unit (BU) 2 be no less than the average salaries of other public sector attorneys, as specified.

ANALYSIS

Existing law:

1) Establishes the Dills Act, which provides collective bargaining rights to state employees and regulates labor relations between the state and its represented employees. (Government Code §3512 et seq.)

2) Requires the California Department of Human Resources (Department) to establish and adjust salary ranges for each class of position in the state civil service. (Government Code §19826(a))

3) Requires the Department, at least six months before the end of the term of an existing memorandum of understanding or immediately upon the reopening of negotiations under an existing memorandum of understanding, to submit to the parties meeting and conferring, and to the Legislature, a report containing the Department's findings relating to the salaries of employees in comparable occupations in private industry and other governmental agencies. (Government Code §19826(c))

4) Requires the state, in order to recruit and retain the highest qualified employees in specified classifications, to consider the total estimated average compensation paid to employees in comparable occupations. (Government Code §19826(c))

This bill:

1) Requires that the salaries of state attorneys in Bargaining Unit (BU) 2 be no less than the average salaries of public sector attorneys, as determined by the creation of three geographical areas in California, as specified.

2) Requires that the salaries of state administrative law judges in each region be not less than the maximum salary of state attorneys classified as the Attorney IV level in each region.

3) Requires the California Department of Human Resources (CalHR) to annually conduct, by March 1 of each year, a survey of salary structures of specified public agencies in each region to determine the average salary of public sector attorneys, as specified.

4) Requires CalHR to conduct the survey each year, regardless of whether the Legislature appropriates funds to provide the salary increases that the survey may indicate.

5) Provides that the provisions of the bill supersede any memorandum of understanding and becomes effective with respect to salary increases on March 1 of each year.

6) Provides that the implementation of the bill's provisions is contingent upon the appropriation of funds in the annual Budget Act and phases in implementation over a three-year period, beginning July 1, 2026.

7) Provides that the superior court have exclusive jurisdiction over disputes arising from the bill's provisions.

COMMENTS

1. Committee Comments

Pursuant to the Dills Act, state employee compensation is subject to collective bargaining between the employees' exclusive representative and the Governor who has designated CalHR as his representative. The committee notes that BU 2's contract is expiring June 30, 2025, and that the sponsor is currently in negotiations with the Administration for a new Memorandum of Understanding (MOU).

The Legislature's custom and practice has been to refrain from interfering with the bargaining process or attempting to set bargaining conditions between the parties. However, where the bargaining process has become fixed or frozen, the Legislature has periodically interceded to ensure that the state fulfills the Dills Act's objectives of establishing efficient and effective labor relations in the state civil service. Obviously, the Governor has the last word on whether to sign off on this legislation should it pass both houses of the Legislature. Therefore, this bill's success will be intricately linked to his and the sponsor's ability to negotiate an amenable MOU.

Nevertheless, state agencies face recruiting and retention problems for BU 2 employees given the salary disparities between state attorneys/ hearing officers and those from local public agencies. State attorneys and administrative law judges are critical to insuring the proper functioning of state government, particularly in the challenging environment of recent events. Thus, the Legislature can appropriately support attempts to focus the Administration on the need to preserve and cultivate the state's legal expertise in the face of substantial workload increases and the enticement of higher compensation in local government.

2. Need for this bill?

According to the author:

"State attorneys and administrative law judges face pay disparities compared to their counterparts in county, city, and other public sector agencies. Qualified legal professionals are leaving state service for better-paying opportunities in the public and private sectors.

Significant variations in compensation across California's counties exacerbate the issue, as state attorneys headquartered in high-cost regions like Los Angeles and the Bay Area are not compensated at rates comparable to local public agencies. The lack of competitive salaries undermines the state's ability to maintain a skilled workforce, which is essential for the timely enforcement of laws, the resolution of disputes, and the protection of public interests."

3. Proponent Arguments

According to the California Attorneys, Administrative Law Judges, and Hearing Officers in State Employment:

"Despite the significant contributions these legal professionals make to the state, current salary levels for these positions lag behind those of comparable public sector roles, creating recruitment and retention challenges. Specifically, state attorneys are paid 20%-40% less in salaries and benefits than other public sector lawyers, such as district attorneys, public defenders, city attorneys, and county counsel. Additionally, there are significant variations in compensation across California's counties, which only exacerbates this issue, as state attorneys headquartered in high-cost regions such as Los Angeles or the Bay Area are not compensated at rates comparable to local public agencies.

Ultimately, the lack of competitive salaries undermines the state's ability to maintain a skilled workforce, which is essential for the timely enforcement of laws, resolution of disputes, and the protection of public interests."

4. Opponent Arguments:

None received.

5. Prior Legislation:

AB 2872 (Calderon, 2024) would have required the state to pay sworn members of the Department of Insurance who are rank-and-file members of State Bargaining Unit (BU) 7 the same compensation paid to corresponding rank-and-file sworn peace officers of the Department of Justice *The Governor vetoed this bill.*

AB 1254 (Flora, 2023) would have required CalHR to use a formula that would pay CAL FIRE Bargaining Unit (BU) 8 members within 15 percent of the average of the salary for corresponding ranks in 20 specified local fire departments instead of determining state firefighters' pay through collective bargaining under the Dills Act as required by current law. *This bill died on Senate inactive file.*

AB 1677 (McKinnor, 2023) would have required the University of California at Berkeley Labor Center to undertake a study of the existing salary structure and provide recommendations for alternative models, if applicable, as applied to rank-and-file scientists in State Bargaining Unit 10 (BU 10), among other provisions. *The Governor vetoed the bill.*

SB 1160 (Polanco, 2001) was substantially identical to this bill. *The Governor vetoed the bill.*

SUPPORT

California Attorneys, Administrative Law Judges, and Hearing Officers in State Employment (Sponsor)

OPPOSITION

None received.

-- END --

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

Bill No:	SJR 2	**Hearing Date:**	March 26, 2025
Author:	Cortese		
Version:	March 3, 2025		
Urgency:		**Fiscal:**	No
Consultant:	Glenn Miles		

SUBJECT: Classified workers' rights

KEY ISSUE

SJR 2 calls on the President and Congress to pass federal legislation ensuring fair wages, benefits, and workplace protections for classified school employees; advocates for livable, competitive wages, access to affordable healthcare with minimal out-of-pocket costs, and 16 weeks of paid family and medical leave; seeks to guarantee paid leave for school closures, access to career development programs during paid work hours, and adequate resources for classified workers to perform their jobs effectively; additionally, calls for enhanced job security, including contract provisions for automatic renewal rather than at-will termination, as well as protection from retaliation when reporting workplace issues; emphasizes the importance of collective bargaining, urging employers to negotiate in good faith and refrain from hiring replacement workers during strikes.

ANALYSIS

Existing law:

1) Requires the governing board of school and community college districts to employ individuals not requiring certification qualifications or not in academic positions; to classify all of these employees and positions; and, that such positions be known as the classified service. (Education Code §§45103 et seq. and §§88003)

2) Authorizes school and community college districts to adopt a merit system that establishes the power of the governing board to employ, pay, and control the services of classified employees. (Education Code §§45241 et seq. and §§88050)

3) Prohibits a school or community college district that has adopted the merit system from demoting or removing a permanent classified employee, except for reasonable cause designated by rule of the personnel commission, but does not prevent layoffs for lack of work or funds. (Education Code §§45302, 45303, 88121, and 88122)

4) Establishes collective bargaining in California's public schools (K-12) and community colleges through the Educational Employment Relations Act (EERA). (Government Code §§3450 et seq.)

This joint resolution:

1) Declares that:
   a. Classified workers include paraeducators, instructional assistants, those who work in clerical and administrative services, transportation services, food and nutrition services, custodial and maintenance services, health and pupil services, technical services, and skilled trades throughout elementary schools, secondary schools, and public institutions of higher education;
   b. The more than 3,000,000 classified workers nationwide are the frontline workers who transform schools in the United States from brick and mortar buildings to places of learning and support for more than 49,000,000 pupils across the United States;
   c. Since the onset of the COVID-19 pandemic, national school staff employment has fallen, and schools employ 331,000 fewer classified workers than before, leaving schools without the necessary staff in almost every position;
   d. A crisis in the staffing of teachers has resulted in some classified workers being expected to assume the duties of certificated teachers without commensurate compensation or benefits;
   e. Many classified workers are severely undercompensated for their work and do not receive anything close to a living wage, much less a competitive wage compared to the existing labor market that is a family-sustaining living wage;
   f. Unlike most school employees, many classified workers are not full-time employees because their services have been limited to reduced hours, including bus drivers and food service workers;
   g. Many classified workers lack access to high-quality, affordable health care after being intentionally hired for too few hours to receive health and retirement benefits, or they otherwise are charged exorbitant employee premiums for health insurance;
   h. Classified workers are often the most diverse subset of school employees, are more likely to have grown up in the communities they serve, and are trusted school community members for many pupils and parents, and, yet, the voices of classified workers are not always valued in forming school policies;
   i. Classified workers often serve pupils facing systemic barriers, but they are often excluded from professional growth and development opportunities;
   j. Similar to many school employees, classified workers are too frequently subject to workplace violence and other safety hazards, including contaminants and extreme temperatures;
   k. Classified workers deserve real solutions that would empower them to work in a stable, safe environment, have multiyear job security, receive livable and competitive wages, access to sufficient hours, and fair compensation for their work, and have a voice on the job and meaningful input in school policy;
   l. Respecting classified workers remains essential to creating and maintaining safe and supportive school environments that are conducive to pupils learning and thriving;
   m. It is important to recognize the rights, respect, and dignity that classified workers deserve as they continue to care for and educate the next generation.

2) Resolves that, for the reasons declared above, classified workers should:
   a. Be compensated at a rate that is a livable, competitive wage, and they should have access to high-quality, affordable health care and health care benefits at a de minimus personal cost;
   b. Be entitled to 16 weeks of paid family and medical leave;

c. Have paid leave for all planned and unforeseen school closures, including weather-related closures, professional development days, and other short-term closures;
d. Have access to meaningful and free or affordable professional growth and development opportunities during regular, paid working hours that provide a path to career advancement;
e. Be given sufficient resources and supplies to enable them to do their jobs effectively and efficiently, including up-to-date technology;
f. Have access to training and appropriate personal protective equipment;
g. Have representation in organizations that determine policies that may affect the working conditions of classified workers;
h. Receive notification and the opportunity to provide significant input about the implementation of electronic monitoring, data, algorithms, and artificial intelligence technology in their workplaces and should receive high-quality, professional training as new technologies are introduced;
i. Have adequate notice and opportunity to participate, when appropriate, in individualized education program meetings, behavior intervention team meetings, and other similar meetings relating to the pupils the classified workers support, to the extent permitted by law;
j. Experience a safe and healthy working environment, free from recognized hazards that cause, or are likely to cause, death or serious physical harm;
k. Experience appropriate staffing levels to ensure that pupils have adequate support and that classified workers can complete their jobs effectively, efficiently, and safely;
l. Receive adequate notification regarding the duration of their employment;
m. Have employment contracts that include a provision for automatic renewal of the contract at the expiration of the contract, rather than the automatic termination of the contract at expiration, and a provision for termination of employment for just cause, rather than termination of employment at will;
n. Have a process for reporting workplace issues and concerns to their employer in a manner that protects classified workers, and other employees, from retaliation.

3) Resolves that employers of classified workers, in recognition of the importance of collective bargaining in maintaining good working conditions, should engage in good faith negotiations, strive to reach timely and just contracts that fairly compensate and protect classified workers, prevent scabs from replacing classified workers engaged in a strike, and refrain from locking out classified workers.

4) Resolves that the Legislature urge President Donald J. Trump and the Congress of the United States to approve federal legislation guaranteeing these rights to classified workers.

5) Directs the Secretary of the Senate to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the United States House of Representatives, to the Majority Leader of the United States Senate, to each Senator and Representative from California in the Congress of the United States, to the Governor, to the Attorney General, and to the author for appropriate distribution.

COMMENTS

1. Need for this joint resolution?

According to the author:

"Classified school workers—such as paraeducators, clerical staff, bus drivers, custodians, and food service workers—play a vital role in supporting students and maintaining school operations. However, many of these workers face challenges such as low wages, limited access to healthcare and retirement benefits, and unpredictable work hours. Additionally, classified workers often take on extra responsibilities due to staffing shortages but may not receive compensation that reflects their contributions. Workplace conditions can also pose risks, with some employees lacking sufficient training, professional development opportunities, or access to necessary resources. SJR 2 seeks to address these challenges by urging federal lawmakers to enact legislation that guarantees livable wages, expanded benefits, workplace protections, and collective bargaining rights for classified school employees."

2. Proponent Arguments

According to the California Federation of Teachers:

"Despite the critical nature of their work, classified employees are often not treated with the respect they deserve. Low wages, inadequate benefits, unsafe conditions, and insufficient hours remain all too common, greatly complicating our ability to recruit and retain qualified workers. As a result, existing classified workers face overwork and a growing inability to reliably provide for their families.

But the burden of understaffing falls beyond classified workers. Teachers and volunteers must assume additional duties when classified positions are left unfilled, and students find school a less attractive place to be when buildings aren't properly maintained. The end result is overworked teachers, frustrated volunteers, and less motivated students. Clearly, we must do more to improve the wages, benefits, and working conditions for classified workers while also focusing on our attention on adequate staffing and proper supports for these essential employees.

SJR 2 (Cortese) explicitly identifies a variety of time-tested solutions to these concerns and puts the legislature on record supporting these reforms. From living wages and paid family leave to professional development and adequate training, this resolution lists many options for policymakers to consider when addressing the crises facing our classified workers. We believe this resolution offers ambitious but defensible measures that will guide our legislative efforts in the right direction throughout the coming years while sending a strong message to the federal government that California is serious about solving these problems."

3. Opponent Arguments:

None received.

4. Prior Legislation:

None known.

SUPPORT

California Federation of Teachers (Sponsor)
California Federation of Labor Unions
California School Employees Association
Service Employees International Union - California

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:	SB 513	**Hearing Date:**	March 26, 2025
Author:	Durazo		
Version:	February 19, 2025		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Emma Bruce		

SUBJECT: Personnel records

KEY ISSUE

This bill 1) provides that every current and former employee, or their representative, has the right to inspect or receive a copy of the personnel records that an employer maintains relating to education or training, and 2) requires an employer who maintains education or training records to ensure those records include specified information.

ANALYSIS

Existing law:

1) Provides that every current and former employee, or his or her representative, has the right to inspect and receive a copy of the personnel records that an employer maintains relating to the employee's performance or to any grievance concerning the employee. (Labor Code §1198.5(a))

2) Defines, for purposes of these provisions, "representative" as a person authorized in writing by the employee to inspect, or receive a copy of, his or her personnel records. (Labor Code §1198.5(e))

3) Requires an employer to maintain a copy of each employee's personnel records for a period of not less than three years after termination of employment. (Labor Code §1198.5(c))

4) Requires an employer to make the contents of personnel records available for inspection to the current or former employee, or his or her representative, at reasonable intervals and at reasonable times, but not later than 30 calendar days from the date an employer receives a written request, unless the current or former employee, or his or her representative, and an employer agree in writing to a date beyond 30 calendar days to inspect the records, and the agreed-upon date does not exceed 35 calendar days from an employer's receipt of the written request. (Labor Code §1198.5(b))

5) Requires an employer, upon written request from a current or former employee, or his or her representative, to provide a copy of personnel records, at a charge not to exceed the actual cost of reproduction, not later than 30 calendar days from the date an employer receives the request, as specified. (Labor Code §1198.5(b))

6) Provides that a request to inspect or receive a copy of personnel records must be made in either of the following ways:

a. Written and submitted by the current or former employee or his or her representative.
b. Written and submitted by the current or former employee or his or her representative by completing an employer-provided form, as specified.

(Labor Code §1198.5(b))

7) Specifies that an employer is required to comply with only one request per year by a former employee to inspect or receive a copy of his or her personnel records. (Labor Code §1198.5(d))

8) Provides that an employer may take reasonable steps to verify the identity of a current or former employee or his or her authorized representative. (Labor Code §1198.5(e))

9) Exempts from these provisions:

   a. Records relating to the investigation of a possible criminal offense.
   b. Letters of reference.
   c. Ratings, reports, or records that were:
      i. Obtained prior to the employee's employment.
      ii. Prepared by identifiable examination committee members.
      iii. Obtained in connection with a promotional examination.
   d. Employees who are subject to the Public Safety Officers Procedural Bill of Rights.
   e. Employees of agencies subject to the Information Practices Act of 1977.

   (Labor Code §1198.5(h))

10) Provides that if an employer fails to permit a current or former employee, or his or her representative, to inspect or copy personnel records within the times specified in this section, the current or former employee or the Labor Commissioner may recover a penalty of seven hundred fifty dollars from the employer, as specified. (Labor Code §1198.5(k))

11) Provides that these provisions do not apply to an employee covered by a valid collective bargaining agreement, if the agreement meets specified conditions. (Labor Code §1198.5(q))

This bill:

1) Provides that every current and former employee, or their representative, has the right to inspect or receive a copy of the personnel records that the employer maintains relating to education or training.

2) Requires an employer who maintains education or training records to ensure those records include all of the following:

   a. The name of the employee.
   b. The name of the trainer.
   c. The duration and date of the training.
   d. The core competencies of a training, including skills in equipment or software.
   e. The resulting certification or qualification.

3) Replaces references to "his or her" and "he or she" in Section 1198.5 of the Labor Code with "their" and "they."

COMMENTS

1. Background:

Over the course of employment, workers may complete trainings or receive certifications related to their job duties. Trainings can cover general health and safety information, craft-specific skills, maintenance, and more. In cases where workers do not have a college degree, they may have instead completed extensive-on-the-job training programs to acquire expertise. When a worker separates from their employer, regardless of the circumstances, it can be difficult for them to verify the skills they acquired through training.

A 2023 study conducted by the UC Berkeley Labor Center, "Fossil Fuel Layoff: The economic and employment effects of a refinery closure on workers in the Bay Area," surveyed Marathon Oil Refinery employees in the aftermath of the refinery shutdown to document post-layoff employment experiences. The study found that one impediment workers faced while searching for a new job was difficulty proving their skill or experience through certifications or a verification process.[1] Survey respondents highlighted employers' unfamiliarity with the refinery sector and the skills of former refinery workers.[2] To address this issue, the study recommends that employers or unions verify workers' formal skills, experience, certifications, and trainings.[3] SB 513 would create one avenue for workers to verify their training by providing them access to this information in their personnel file, as specified.

2. Committee Comments:

Existing law provides that every current and former employee, or his or her representative, has the right to inspect and receive a copy of the personnel records that an employer maintains relating to the employee's performance or to any grievance concerning the employee. SB 513 would expand this right of access to include personnel records that the employer maintains relating to an employee's education or training. For employers who do maintain education or training records, this bill would require those records to include specified information like the core competencies of a training and the resulting certification or qualification. As drafted, this bill would not require every employer to maintain education or training records, but for the employers that do, these records must be accessible to employees via their personnel file and must contain specified information.

3. Need for this bill?

According to the author:

"California is on a path to transition away from most traditional fuels and energy sources in accordance with state climate goals and directives set forth. These policy directions have significant impacts on workers and communities especially as rapid job transitions occur. In the event, that workers lose their jobs, they will have to react quickly and search for new

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[1] Virginia Parks and Ian Baran, UC Berkeley Labor Center, "Fossil Fuel Layoff: The economic and employment effects of a refinery closure on workers in the bay area"
[2] Ibid.
[3] Ibid.

employment. However, some employers are withholding those training records from their employees…

Many refinery workers came into the job without specific credentials and were trained by their employers through joint labor-management programs to safely operate and maintain refineries. They have received significant, extensive on-the-job training from their employers on process safety, instrumentation, plant chemistry, lab work, control boards, pumps, compressors, maintenance crafts, and more, in addition to state HAZMAT and ongoing safety and health programs…

With SB 513, employees across sectors will be able to demonstrate their ability and confirm their eligibility to future employers as jobs sectors transition to meet State climate goals."

4. Proponent Arguments:

The sponsors of the bill, United Steelworkers District 12, argue:

"Over the last decade, California has taken significant action to reduce greenhouse gas emissions in the state. The climate action policies advanced by the state, along with business decisions by oil companies, have resulted in closures of oil refineries and loss of associated jobs. This has had significant impacts on workers and their communities. Those workers who lose their jobs will need to find new ones, yet existing state policy does not fully support them in that effort.

Hundreds of USW-represented workers were laid off at Marathon Martinez and P66 Santa Maria refineries in recent years, and P66 recently announced the closure of their Los Angeles area refinery taking place in the fourth quarter of 2025. After the Marathon Martinez workers were laid off in November 2020, their experiences in searching and obtaining new jobs was documented in research conducted by the UC Berkeley Labor Center. Those who were laid off cited two major frustrations in seeking new employment:

1. Prospective employers lacked knowledge about refinery workers' skills, and;
2. Workers could not prove their skills or experience through certifications or a verification process.

Though they possess extensive knowledge and expertise amassed over many years of working within the refinery, the majority of our members do not have a college degree or other specific credentials. They have been primarily trained through extensive on-the-job training programs to safely operate and maintain oil refineries. Through their employers they have received significant thorough training on process safety, instrumentation, plant chemistry, lab work, control boards, pumps, compressors, maintenance crafts, and more…

SB 513, the Workers Obtention Rights to Knowledge and Education Records (WORKER Act), proposes to clarify this employer responsibility by amending Section 1198.5 to specify that education and training records in personnel files include specific information about training, including dates, duration, core competencies including skills in equipment or software, trainers' names, and resulting certificates or qualifications."

5. Opponent Arguments:

None received.

6. Prior Legislation:

SB 1375 (Durazo, 2024, Vetoed) would have established the Equity, Climate Resilience, and Quality Jobs Fund in the State Treasury and required, to the extent authorized by the federal jobs acts, as defined, 1 percent of all qualified moneys from the federal jobs acts to be transferred into the fund for specified purposes. *This bill also included language identical to SB 513 regarding employee personnel records.*

AB 2674 (Swanson, Chapter 842, Statutes of 2012) among other things, required an employer to maintain, as specified, and provide, upon request, a current or former employee, or his or her representative, a copy of the employee’s personnel records within 30 days of the employee’s request, as specified. The bill also imposed a penalty of $750 on an employer who fails to allow inspection or provide a copy of personnel records to the employee, and authorized the employee to bring an action for injunctive relief and recover costs and reasonable attorney’s fees.

AB 1399 (Committee on Labor and Employment, 2011) was nearly identical to AB 2674 (2012). *This bill was held in the Assembly Appropriations Committee.*

AB 1707 (Committee on Labor and Employment, 2007, Vetoed) was nearly identical to AB 2674 (2012). In his veto message, Governor Schwarzenegger stated:

> “This bill attempts to clarify existing law relative to employees’ access to personnel records kept by their employer. While I support the intent of this measure, especially as it relates to non-English speakers and others that may need help in understanding the contents of their personnel records, this bill is too broad and exposes employers to unfair and unnecessary liabilities. I encourage the proponents of this bill to work with the Labor Commissioner to adopt regulations that help ensure that all employees can appropriately avail themselves of their rights under current law.”

SUPPORT

United Steelworkers District 12 (Sponsor)
California Labor for Climate Jobs
California Federation of Teachers
Engineers and Scientists of California, International Federation of Professional and Technical Engineers, Local 20
Service Employees International Union
United Auto Workers Region 6
United Steelworkers Inland Empire Legislative and Education Committee
United Steelworkers Local 675

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:	SB 275	**Hearing Date:**	March 26, 2025
Author:	Smallwood-Cuevas		
Version:	March 11, 2025		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Jazmin Marroquin		

SUBJECT: Eligible training provider list

KEY ISSUE

This bill 1) prohibits an approved training provider from being removed from the eligible training provider list (ETPL), if the provider has submitted verification of completion of continued eligibility requirements through a local workforce development board, as specified, 2) requires continued eligibility reviews to be conducted once every two fiscal years, and 3) requires local workforce development boards to submit continued eligibility reviews of providers on the ETPL to the Employment Development Department (EDD), as specified.

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)

Existing law:

1) Establishes the California Workforce Development Board (CWDB), under the purview of the Labor and Workforce Development Agency, 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.)

2) Provides that the CWDB, in collaboration with state and local partners, including the California Community Colleges Chancellor, the State Department of Education, other appropriate state agencies, and local workforce development boards must develop the State Plan to serve as a framework for the development of public policy, employment services, fiscal investment, and operation of all state labor exchange, workforce education, and training programs to address the state's economic, demographic, and workforce needs. The strategic workforce plan must be prepared in a manner consistent with the requirement of the federal WIOA of 2014. (Unemployment Insurance Code §14020)

3) Requires CWDB to do the following in order to support the requirement of the State Plan:

a. Identify industry sectors and industry clusters that have a competitive economic advantage and demonstrated economic importance to the state and its regional economies.
b. Identify industry sectors and industry clusters with substantial potential to generate new jobs and income growth for the state and its regional economies.
c. Provide a skills-gap analysis enumerating occupation and skills shortages in the industry sectors and industry clusters as having strategic importance to the state's economy and its regional economies. Skills-gap analysis for the state and its regional economies must use labor market data to specify a list of high-priority, in-demand occupations for the state and its regional economies. This list must be used to inform investment decisions and eligible training provider policies.
d. Establish, with input from local workforce development boards and other stakeholders, initial and subsequent eligibility criteria for the federal WIOA of 2014 eligible training provider list that effectively directs training resources into training programs leading to employment in high-demand, high-priority, and occupations that provide economic security, particularly those facing a shortage of skilled workers. (Unemployment Insurance Code §14020(d))

4) Establishes eligibility criteria, to the extent feasible, which must use performance and outcome measures to determine whether a provider is qualified to remain on the eligibility list. At a minimum, initial and subsequent eligibility criteria shall consider the following:

a. The relevance of the training program to the workforce needs of the state's strategic industry sectors and industry clusters.
b. The need to plug skills gaps and skills shortages in the economy, including skills gaps and skills shortages at the state and regional level.
c. The need to plug skills gaps and skills shortages in local workforce development areas.
d. The likelihood that the training program will lead to job placement in a job providing economic security or job placement in an entry-level job that has a well-articulated career pathway or career ladder to a job providing economic security.
e. The need for basic skills in combination with programs that provide occupational skills training for individuals with barriers to employment and those who would otherwise be unable to enter occupational skills training.
f. To the extent feasible, local boards must utilize criteria that measure training and education provider performance, including, but not limited to, the following:
    i. Measures of skills or competency attainment.
    ii. Measures relevant to program completion, including measures of course, certificate, degree, licensure, and program of study rate of completion.
    iii. For those entering the labor market, measures of employment placement and retention.
    iv. For those continuing in training or education, measures of educational or training progression.
    v. For those who have entered the labor market, measures of income, including wage measures. (Unemployment Insurance Code §14020 (d)(4))

This bill:

1) Prohibits an approved training provider from being removed from the eligible training provider list (ETPL) if the provider has submitted verification of completion of continued

eligibility requirements through a local workforce development board until a determination has been made that the provider or program does not meet eligibility requirements.

2) Requires continued eligibility review to be conducted once every two fiscal years.

3) Requires local workforce development boards to submit continued eligibility reviews of providers on the ETPL to the EDD in the form and manner prescribed by the department, no later than September 30 of each even numbered year for the prior two fiscal years concluding, June 30.

4) Provides that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions, as specified.

COMMENTS

1. Background

California Workforce Development Board and the State Plan

The California Workforce Development Board (CWDB) was established in 1998, as outlined in the federal Workforce Investment Act. In 2014, the Workforce Investment Act was replaced by the WIOA, which outlined the vision and structure through which state workforce training and education programs are funded and administered regionally and locally. WIOA mandates the creation of a statewide strategic workforce plan. Every few years, the CWDB, in conjunction with its statewide partners, releases the Unified Strategic State Plan (State Plan).

In order to support the requirement of the State Plan, CWDB was required to establish initial eligibility criteria for the federal WIOA eligible training provider list that directs training resources into training programs leading to high-demand, high-priority employment, and occupations that provide economic security, particularly those facing a shortage of skilled workers. CWDB also established eligibility criteria, to the extent feasible, which used performance and outcome measures to determine whether a provider is qualified to remain on the eligibility list.

California Eligible Training Provider List

The California Eligible Training Provider List (ETPL) helps adults and people who have lost their jobs find training programs. The ETPL includes approved places that offer different types of training, including classes, online courses, and apprenticeships. The ETPL was created by the Workforce Investment Act of 1998 and updated by the WIOA of 2014. The training providers on this list are funded through WIOA to help cover training costs.

Training providers who would like to be added to the ETPL, must register by creating an account on CalJOBS. After registering, the local workforce development boards will review the application. If the training providers are approved as an eligible training provider, they can submit training programs to be listed on the ETPL.

EDD is the entity responsible for publishing, disseminating, and maintaining the comprehensive ETPL with performance and cost information. In addition, EDD is responsible for ensuring programs meet the eligibility criteria and performance levels

established by the CWDB; removing programs that do not meet the program criteria or performance levels established; and taking enforcement actions against providers that intentionally provide inaccurate information, or that substantially violate the requirements of WIOA.

2. **Need for this bill?**

According to the author:

"Federal guidance permits states to collect continued eligibility data of training providers at an interval not to exceed two years. In most states, coordinators submit continued eligibility information on a biannual basis. In California, this data needs to be submitted not on an annual basis, but on a rigid 365-day cycle, meaning that providers, coordinators, and EDD staff are required to process this information to the day. In addition to allowing these groups workflow freedom, switching to a biannual reporting cycle allows parties more time to accurately collect, report, and transmit data without sacrificing quality of services and programs provided.

When continued eligibility data is submitted, EDD, according to their self-published directive, should review these applications and render a decision within 30 days of receiving. Due to staffing shortages, this is not currently happening. Unfortunately, if a provider is not reviewed within 30 days, they are removed from the ETPL. In some local areas, this has resulted in 100% of providers falling off the list.

SB 275 eases undue reporting burdens on the California Eligible Training Provider List (ETPL) for career training providers, local workforce coordinators, and the Employment Development Department (EDD) by allowing providers to submit continued eligibility documents on a biannual basis, instead of a 365 day basis, and to allow EDD to keep providers on the list if EDD has not been able to review their continued eligibility within 30 days."

3. **Proponent Arguments**

According to the sponsors, the California Workforce Association:

"As the sponsor of SB 275, we recognize the critical role that the [California Eligible Training Provider List (ETPL)] plays in providing job seekers with access to high-quality training programs that align with California's workforce needs. However, the current requirement that training providers submit continued eligibility documentation every 365 days—rather than on a biannual basis, as permitted under federal guidelines—creates an unnecessary administrative burden for providers, local workforce boards, and EDD staff. One of the challenges with the 365-day cycle is limited access to employment and wage data, which may disqualify eligible providers due to underreported performance metrics.

The EDD states in its directive that, when reviewing continued eligibility submissions, it will review and render a decision within 30 days of receiving the continued eligibility application. Due to staffing shortages and other constraints, this is not happening. When this happens, providers fall off the ETPL. This has resulted in providers being removed from the list

simply due to administrative delays rather than noncompliance. In some areas, this has resulted in 100% of providers falling off the list.

SB 275 offers a practical solution by allowing providers to submit continued eligibility documents biannually and ensuring that they remain on the ETPL while their applications are under review. These changes will enhance efficiency, reduce administrative bottlenecks, and prevent disruptions in workforce training services that are essential to California's economic growth and workforce development goals."

4. **Opponent Arguments:**

None received.

5. **Prior Legislation:**

SB 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 Workforce Innovation and Opportunity Act (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, Statues of 2013) required the former California Workforce Investment Board (CWIB), now called the California Workforce Development Board (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 118 also established, with input from local workforce development boards and other stakeholders, initial and subsequent eligibility criteria for the WIOA Eligible Training Provider List (ETPL) that effectively directs training resources into training programs leading to employment in high-demand, high-priority, and high-wage occupations, as specified.

SUPPORT

California Workforce Association (Sponsor)
Alameda County Workforce Development Board
Bay Area Community College Consortium
California Council for Adult Education
Capital Adult Education Regional Consortium
Eastbay Works
Foothill Workforce Development Board
Fresno Regional Workforce Development Board
Golden Sierra Workforce Development Board
Imperial County Workforce Development Board
L. M. Lewis Consulting
Lake Elsinore Unified School District

Laney College
Los Angeles Cleantech Incubator
Martinez Adult Education
Mendocino College
Mid-alameda County Consortium for Adult Education
Miracosta College
Modesto Junior College
Monterey County Workforce Development Board
Mother Lode Job Training
Mt. Sac School of Continuing Education
North Orange County Rop
Novaworks
Oakland Adult and Career Education
Oakland Workforce Development Board
Opportunity Junction
Palo Verde College
Pittsburg Adult Education Center
Placer School for Adults
Richmond Workforce Development Board
Rio Hondo College
Riverside Adult School
Riverside Community College District
Saddleback College
Salinas Adult School
San Benito County Workforce Development Board
San Bernardino Community College District
San Diego & Imperial Counties Community Colleges Regional Consortium
San Francisco Office of Economic & Workforce Development
San Mateo Adult and Career Education
South Bay Workforce Investment Board
Southwest Riverside Adult Education Consortium
The Anaheim Workforce Development Board
The League Xs
Tri-valley Career Center
West Contra Costa Adult Education
Woodland Adult Education
Workforce Alliance of The North Bay
Workforce Development Board of Madera County
Workforce Development Board of Solano County

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:	SB 442	**Hearing Date:**	March 26, 2025
Author:	Smallwood-Cuevas		
Version:	February 18, 2025		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Alma Perez-Schwab		

SUBJECT: Grocery retail store and retail drug establishment employees: self-service checkout

KEY ISSUES

This bill prohibits a grocery retail store or retail drug establishment from providing a self-service checkout option for customers unless specified conditions are met, including, among others, that at least one manual station is staffed by an employee, that self-service checkouts be limited to purchases of 15 or fewer items, and that the sale of certain items like alcohol be prohibited. This bill includes specified civil penalties for violations of these provisions and authorizes enforcement by the Division of Labor Standards Enforcement and public prosecutors.

ANALYSIS

Existing law:

1) The California Occupational Safety and Health Act assures safe and healthful working conditions for all California workers by authorizing the enforcement of effective standards, assisting and encouraging employers to maintain safe and healthful working conditions, and by providing for research, information, education, training, and enforcement in the field of occupational safety and health. (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) Requires employers to establish, implement, and maintain an effective Injury and Illness Prevention Program (IIPP) that must include, among other things, a system for identifying and evaluating workplace hazards, including scheduled periodic inspections to identify unsafe conditions and work practices and the employer's methods and procedures for correcting those unsafe or unhealthy conditions and work practices in a timely manner. The IIPP must also include the employer's system for communicating with employees on occupational health and safety matters. (Labor Code §6401.7)

4) Requires an employer to establish, implement, and maintain an effective Workplace Violence Prevention Plan (WVPP) that is in writing, available, and easily accessible to employees, authorized employee representatives, and representatives of the Division at all times, and be specific to the hazards and corrective measures for each work area and operation. Provides that the WVPP may be incorporated as a stand-alone section in the employer's existing IIPP or maintained as a separate document. (Labor Code §6401.9)

5) Requires employers to record information in a violent incident log of every workplace violence incident, as specified, and include detailed information regarding the type of attack, weapons used, and consequences including whether or not law enforcement was contacted and their response. (Labor Code §6401.9)

6) Authorizes Cal/OSHA to enforce these provisions by issuing a citation alleging a violation and a notice of civil penalty, as specified, and authorizes any person cited to appeal the citation and penalty to the appeals board in a manner consistent with Labor Code Section 6319. (Labor Code §6401.9)

7) Prohibits a person from discharging or in any manner discriminating or retaliating against any employee because the employee, among other things, reported a work-related fatality, injury, or illness, requested access to occupational injury or illness reports and records, or exercised any other rights protected by the federal Occupational Safety and Health Act (29 U.S.C. Sec. 651 et seq.), as specified. (Labor Code §6310)

8) Establishes the Division of Labor Standards Enforcment (DLSE), within DIR, to enforce, among other things, wage and hour law, anti-retaliation provisions, and employer notice requirements. (Labor Code §79 et seq.)

9) Establishes grocery worker retention provisions requiring an incumbent (buyer) of an existing grocery establishment to retain employees for a *90-day transition period* during which an employee may only be discharged for cause, as specified, and considered for continued employment at the end of the transition period. (Labor Code §2500-2522)

10) 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(a) and (e))

This bill:

1) Defines, among others, the following terms:

   a. "Grocery retail store" includes both of the following:
      i. "Grocery establishment" means a retail store in this state that is over 15,000 square feet in size and that sells primarily household foodstuffs for offsite consumption, including, but not limited to, fresh produce, meats, poultry, fish, deli products, dairy products, canned foods, dry foods, beverages, baked foods, or prepared foods, with the sale of household supplies or other products being secondary to the primary purpose of food sales.

      ii. "Superstore" means a store in this state that is over 75,000 square feet in size, that generates sales or use tax pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code), and that devotes more than 10 percent of sales floor area to the sale of nontaxable merchandise.

b. "Manual checkout station" means a station that is not a self-service checkout station and at which an employee provides human assistance to a customer scanning, bagging, or accepting payment for the customer's purchases.

c. "Retail drug establishment" means a person, including an individual, a corporation, a partnership, a limited partnership, a limited liability partnership, a limited liability company, a business trust, an estate, a trust, an association, a joint venture, a proprietorship, a joint venture, an agency, an instrumentality, a corporate officer, an executive, or any other legal or commercial entity, whether domestic or foreign, that has 75 or more businesses or establishments located within the state and is identified as a retail business or establishment in the North American Industry Classification System within the retail trade category 45611.

d. "Self-service checkout" means an automated process that enables customers to scan, bag, and pay for their purchases without human assistance.

2) Prohibits a grocery retail store or retail drug establishment from providing a self-service checkout option for customers unless **all** of the following conditions are satisfied:

a. At least one manual checkout station is staffed by an employee who is available to any given customer at the time that a self-service checkout option is made available.

b. The employer has established a workplace policy that limits self-service checkouts to purchases of no more than 15 items with signage requirements to that effect, as specified.
   i. Specifies that an employer is not in violation if a customer purchases more than 15 items at a self-service checkout station, so long as the employer otherwise complies with the workplace policy and signage requirements.

c. The employer has established a workforce policy that prohibits customers from using self-service checkout to purchase either of the following:
   i. Items that require customers to provide a form of identification, including, but not limited to, alcohol and tobacco products.
   ii. Items subject to special theft-deterrent measures, including, but not limited to, locked cabinets and electronic article surveillance tags, that require the intervention of an employee of the establishment for the customer to access or purchase the item.

d. An employee shall be relieved from all other duties when monitoring a self-service checkout station, including, but not limited to, operating a manual checkout station.

3) Requires a grocery retail store or retail drug establishment that offers self-service checkout shall include self-service checkout in their analysis of potential work hazards for purposes of their injury and illness prevention programs, as defined.

4) Requires a grocery retail store or a retail drug establishment that intends to implement self-checkouts to:

a. Notify workers and their collective bargaining representatives, in writing, at least 60 days in advance of the implementation of self-checkout.

b. Notify the public of its intent at least 60 days in advance of the implementation by posting the notice in a location accessible to the grocery retail store's or retail drug establishment's employees and customers.

5) Subjects an employer who violates these provisions to a civil penalty of ten thousand dollars ($10,000) for each day in violation, not to exceed an aggregate penalty of two hundred thousand dollars ($200,000).

6) Authorizes any worker eligible to receive notice pursuant to 4) above, or a representative of a collective bargaining unit, to seek enforcement of these provisions and a prevailing plaintiff shall be awarded an award of their reasonable attorney's fees and costs.

7) Requires the Division of Labor Standards Enforcement, upon the filing of a complaint by an employee, to enforce these provisions including by investigating an alleged violation, and ordering appropriate relief.

8) Authorizes, in addition to other remedies as may be provided by the laws of this state or its subdivisions, any public prosecutor, as defined, to institute an action for a violation of these provisions, including an action seeking injunctive relief.

9) Includes findings and declarations relevant to the impacts of self-checkouts on inventory shrink, workers' job losses and understaffing and declares the need to regulate their use to ensure they don't increase crime, increase costs that are then passed onto consumers in higher food prices, and increase unemployment or underemployment.

COMMENTS

1. Background

<u>*Existing Employer Obligations:*</u>
In California, every employer has a legal obligation to provide and maintain a safe and healthful workplace for their employees. Employers must have a written Injury and Illness Prevention Program (IIPP) that is developed and implemented effectively with emphasis on staff safety and health. Among other elements, the IIPP must include procedures for identifying and evaluating workplace hazards as well as procedures for correcting them. Employers are also required to periodically review and update the IIPP to account for changing work conditions.

In 2023, SB 553 (Cortese) was chaptered, which additionally required employers to establish, implement, and maintain an effective Workplace Violence Prevention Plan (WVPP) that includes, among other elements, requirements to maintain incident logs, provide specified trainings, and conduct periodic reviews. WVPP requirements specifically focus on injuries that could result from violence experienced while at work. The bill defined "workplace violence" as, among other things, the threat or use of physical force against an employee that results in, or has a high likelihood of resulting in, injury, psychological trauma, or stress, regardless of whether the employee sustains an injury.

<u>*Technology and its Impact on Employment:*</u>
With technological advancements happening faster than humans can react, we often miss the opportunities to evaluate its impact. Until recently, advancements in technology often

automated physical tasks, such as those performed on factory floors or self-checkouts, but artificial intelligence (AI) functions more like human brainpower. As this technology develops, so do fears of worker displacement in more areas and industries. According to the Pew Research Center, in 2022, 19 percent of American workers were in jobs that are the most exposed to AI, in which the most important activities may be either replaced or assisted by AI.[1] Because technology can be used to either replace or complement the work of employees, it is difficult to identify which industries or occupations will be most impacted.

Self-Checkouts and Retail Theft:
Self-checkout lanes were introduced as a way to cut down on wait times, boost efficiency in stores, and both reduce the need for staff in those lanes or allow for their reassignment to other tasks. Self-checkouts served a critical role during the COVID-19 pandemic and helped address the need to isolate and limit contact with other people to reduce the spread of the virus. With the help of self-checkouts and other models like curbside pick-up, technology has made some aspects of everyday shopping easier. Unfortunately, it also appears to have contributed to retail theft or inventory "shrink" and understaffing, which increases potential for verbal and physical altercations, and the displacement of workers.

Recent news articles have reported many companies moving away from its use. A January 2024 CNN article references a study by Drexel University published in the Journal of Business Research, which found that regular check-out lanes staffed by cashiers made customers more loyal to the store and more likely to revisit in the future as opposed to using self-checkout.[2] The article further reports that self-checkouts lead to higher merchandise losses from customer errors and more intentional shoplifting than when human cashiers are ringing up customers. According to this article, a study of retailers in the United States, Britain and other European countries found that companies with self-checkout lanes and apps had a loss rate of about 4 percent - more than double the industry average.[3]

Several companies, including Target and Walmart, have recently announced changes to their automated register options in stores throughout the country, scaling back on the use of self-checkout and imposing item limits. Target, for example, is restricting self-checkout to customers buying 10 items or less and directing larger item purchases to full service lanes with cashiers. Target has cited the impetus as customer feedback and a desire to provide a better shopping experience.[4] Dollar General is another retailer scaling back on self-checkouts, reporting that in 9,000 of its stores the company will be converting some or all of the self-checkout registers to assisted-checkout options.[5]

Some retailers are taking other approaches to try to curb retail theft with the help of technology. For example, Sam's Club is replacing the practice of having workers verifying receipts as shoppers exit the store with the use of AI powered technology that can visually scan a customer's cart and verify items are paid.[6]

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[1] "Which U.S. Workers Are More Exposed to AI on Their Jobs?" Pew Research Center, Washington, D.C. (July 26, 2023) https://www.pewresearch.org/social-trends/2023/07/26/which-u-s-workers-are-more-exposed-to-ai-on-their-jobs/
[2] Meyersohn, N. (January 23, 2024) Customers have soured on self-checkout, and a new study says there's proof. *CNN*. https://www.cnn.com/2024/01/23/business/self-checkout-shopping-stores/index.html
[3] Ibid.
[4] Meyersohn, N. (November 18, 2023) Target is testing a new self-checkout policy. *CNN*. https://www.cnn.com/2023/11/18/business/target-self-checkout-new-system/index.html
[5] PYMTS. (March 21, 2024) Retailers' Self-Checkout Enthusiasm Dwindles Amid Elevated Theft. *PYMTS*. https://www.pymnts.com/news/retail/2024/retailers-self-checkout-enthusiasm-dwindles-amid-elevated-theft/
[6] Ibid.

As these new technologies are developed, it is imperative that the state provide guidance to employers on how to review and disclose the impacts to workers and consumers.

2. **Need for this bill?**

According to the author:

"Self-checkout has rapidly spread in retail grocery and drug stores to drastically cut staffing and reduce labor costs. Self-checkout and the reduction in front-line grocery workers have created a range of problems for retailers, workers, and the public.

While companies proclaim there has been an increase in retail theft, much of the losses they allege can be traced to self-checkout and the reduction in their workforce. Data shows that self-checkout machines cause 16 times more shrink than checkout via a cashier.[7] In 2022, self-checkout accounted for under 30% of total transactions, yet self-checkout machines have cost food retailers more than $10 billion in lost profits annually. Nearly 7% of self-checkout transactions had at least some partial shrink compared to 0.32% with cashiers. On a revenue basis, this suggests a shrink rate of 3.5% for self-checkout machines versus only 0.21% for full-service cashier stations staffed by an employee.[8]

Self-checkout and understaffing also create other problems for the public. In a 2024 study, Harvard University Researchers found that 61 percent of workers in stores that utilize self-checkout reported always or often having insufficient staff to get their work done.[9] Customers who are not tech savvy or need human assistance have limited access when there are fewer staffed check stands open. Self-checkout often does not have language options other than English, making them more challenging for speakers of other languages. The overall lack of workers available for customer assistance makes the shopping experience unpleasant and inconvenient. The touted convenience of self-checkout is, in reality, understaffed stores, glitchy machines, and increased retail theft."

The author concludes by stating that, "while some stores have begun to take steps to address these challenges, it is crucial the state establish baseline guidance for retailers that choose to deploy self-checkout in their stores."

3. **Proponent Arguments:**

According to the sponsors, the California Federation of Labor Unions and the United Food and Commercial Workers:

"Retailers have increasingly implemented automated checkout to drastically cut staffing and reduce labor costs. Self-checkout and the reduction in frontline grocery workers have created a range of problems for retailers, workers, and the public. Evidence increasingly shows that self-checkout increases retail theft and 'shrink' at stores, also creating potential for verbal and physical abuse of workers and security who try to prevent theft in the stores.

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[7] https://www.foodrepublic.com/1476050/grocery-store-cant-stop-self-checkout-theft/

[8] https://www.cspdailynews.com/technologyservices/theft-self-checkout-amounts-35-sales-report

[9] Please Wait, Help is on the Way: Self-Checkout, Understaffing, and Customer Incivility in the Service Sector - The Shift Project

The elimination of workers' jobs due to self-checkout is especially harmful. The reduction in frontline checkers has caused a crisis with chronic understaffing and an overworked workforce. Self-checkout machines are notoriously glitchy, which creates more work for the reduced workforce and workers are expected to monitor anywhere from four to ten machines on their own.

Fewer workers in the store also increases health and safety risks. Understaffed stores create the opportunity for theft, assault, and violent incidents. Lone frontline clerks must serve customers while at the same time watching for shoplifters and dealing with disruptive individuals. The issues with self-checkout machines and understaffing also increase customer irritation and workers are at risk of verbal and physical assault by frustrated customers. All the while, violence against retail workers is at an all-time high.

With understaffing due to self-checkout and employer attempts at cost-savings, grocery and drug stores are now more inconvenient and dangerous places to shop and work. In addition, retailers have used the threat of theft caused by understaffing as an excuse to lock up products, creating more work and further frustrating customers. The types of products that are locked up, and in which stores, also indicate racial bias, rightfully angering customers who see that stores are unfairly targeting them."

Furthermore, they argue that:

"In recognition of the problem, companies like Walmart, Target, Dollar General, and other major grocery stores are moving away from self-checkout as the losses from retail theft hit their bottom line. Lowe's CEO has come out and said that the way to reduce losses, now the industry norm, is to remove self-checkout and increase staffing in the stores, not just at checkout but in every department. Best Buy, touted as a success story in reducing retail theft and shrink, shared they have employed asset-protection employees at its front doors, have more floor coverage, meaning more employees present on the sales floor, than other retailers, have invested in more employees in their stores, and have less self-checkout in their stores.

SB 442 ensures that technology in retail grocery and drug stores improves the customer experience and ensures job quality and security for workers."

6. Opponent Arguments:

The California Chamber of Commerce and California Grocers Association are opposed to the measure arguing that the bill would place arbitrary restrictions on the work performed by employees while undermining the customer experience by reducing the number and types of items that can be taken through self-checkout. They argue:

"SB 442 would limit the scope of an employee working at a self-checkout station by requiring they be 'relieved of all other duties.' This could create a scenario where the employee staffing a self-checkout station that has no customers in line would be unable to assist a customer who needed help with an item, like a bag of ice. Customers will be frustrated when they ask an employee for help who is otherwise unoccupied and told the employee cannot help because they are staffing an empty self-checkout station. This language should be modified to reflect and accommodate these types of situations that occur in stores every day.

Limiting the number and type of items that can be purchased at self-checkout will be difficult to enforce and will frustrate customers. SB 442 would prohibit items that are subject to theft deterrent measures from being purchased at self-checkout. As any shopper knows, the items that are locked up vary from store to store and can include many essential household products like toothpaste and razor blades. This means that the types of items that can go through self-checkout will vary store to store, increasing customer frustration which will often be directed as store employees and will subject stores to thousands of dollars in penalties. This bill would codify one of the worst situations our employees saw during the pandemic – when they were required to police their customers and enforce the law around masking and social distancing. It did not work then, and it will not work now.

SB 442 requires stores to post signage at self-checkout stations stating customers are limited to 15 items at self-checkout. It then states stores are not required to enforce this policy. Companies would be penalized for not having signs that are effectively meaningless. Further, 15 items is a low number compared to industry practice where stores have item limitations and will frustrate customers.

This bill requires stores with self-checkout stations include an analysis of those stations in their workplace violence programs. This implies that the presence of self-checkout stations creates a potential harm to employees. There is no basis for such a conclusion so including this provision will lead employees to believe they are being placed in harm's way while creating an unnecessary administrative burden for stores."

7. **Amendments in Committee:**

Due to the bill's 30 day in print date of March 21, the author has been unable to amend the bill prior to this hearing. The author would like to amend the bill today to add worker anti-retaliation protections language as well as language specifying that these provisions do not preempt any city or county ordinance that provides equal or greater protections to workers.

Amendments to add:

2533. d) An employer shall not discharge, threaten to discharge, demote, suspend, retaliate against or in any manner discriminate against a worker filing a complaint with the Labor Commissioner alleging a violation of this part, cooperating in an investigation of an alleged violation of this part, or opposing any policy or practice that is prohibited by this part.

2534. This part does not preempt any city, county, or city and county ordinance that provides equal or greater protection to workers who are covered by this part.

8. **Double Referral:**

This bill has been double referred and if approved by this Committee today, will be sent to Senate Judiciary Committee for a hearing.

9. **Prior Legislation:**

SB 1446 (Smallwood-Cuevas, 2024) was very similar to this bill but would have additionally required that no more than two self-checkout stations be monitored by any one employee. SB

1446 also included a requirement that a grocery retail store or retail drug establishment that intended to implement a consequential workplace technology, as defined, must notify workers, their collective bargaining representatives, and the public at least 60 days in advance of the implementation of the technology with a general description of the technology and the intended purpose of the technology, as specified. SB 1446 also included remedies and penalties for a violation of the bill's provisions, including a civil penalty of $100 for each day in violation, not to exceed an aggregate penalty of $10,000. The provisions related to the consequential workplace technology are not included in this year's version and the penalties for violations have been increased. *SB 1446 was held in the Assembly Rules Committee*.

SB 553 (Cortese, Chapter 289, Statutes of 2023) required employers to establish, implement, and maintain an effective workplace violence prevention plan (WVPP) that includes, among other elements, requirements to maintain incident logs, provide specified trainings, and conduct periodic reviews of the plan.

AB 183 (Ma, Chapter 726, Statutes of 2011) prohibited off-sale licensees from selling alcoholic beverages using a customer-operated checkout stand located on the licensee's physical premises. This bill makes findings and declarations regarding the negative effects of allowing alcoholic beverages to be sold using self-service checkouts.

SUPPORT

California Federation of Labor Unions, AFL-CIO (Co-sponsors)
United Food and Commercial Workers Western States Council (Co-sponsors)
California National Organization for Women
Courage California
Prosecutors Alliance Action
Smart Justice California
TechEquity Action

OPPOSITION

California Chamber of Commerce
California Grocers Association
Valley Industry and Commerce Association

-- END --

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

Bill No:	SB 469	**Hearing Date:**	March 26, 2025
Author:	Smallwood-Cuevas		
Version:	February 19, 2025		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Emma Bruce		

SUBJECT: Department of Industrial Relations: task force: public infrastructure: employment: underrepresented communities

KEY ISSUE

This bill directs the Department of Industrial Relations (DIR) to establish the California Public Infrastructure Task Force (Task Force) and tasks it with, among other things, making recommendations for increasing the participation of underrepresented communities in public infrastructure projects.

ANALYSIS

Existing law:

1) Establishes the Labor and Workforce Development Agency (LWDA) to serve California workers and businesses by improving access to employment and training programs; enforcing California labor laws to protect workers and create an even playing field for employers; and administering benefits that include workers' compensation, unemployment insurance, disability insurance, and paid family leave. (Government Code §15550 et seq.)

2) Establishes DIR in the 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)

3) Establishes procedures for state agencies to enter into contracts for goods and services, including generally requiring that certain contracts by a state agency to construct, alter, improve, repair, or maintain public property be approved by the Department of General Services (DGS). (Government Code §10300 et seq.)

4) Requires the Director of General Services and the heads of other state agencies that enter into contracts for the acquisition of services, goods, information technology, and for the construction of state facilities to among other things, establish a minimum goal of 25 percent participation for small businesses and microbusinesses and give special consideration and assistance to small businesses, as specified. (Government Code §14838)

5) Requires DGS to contract for a statewide procurement and contracting disparity study, in order to guide outreach strategies, state government program development, and improvements to contracting policies. (Government Code §14844)

6) Requires specified state agencies, including the LWDA, to convene relevant stakeholders to develop and provide contractual and procurement model recommendations that maximize

benefits to disadvantaged communities to the Governor and Legislature by March 30, 2024. (Public Contract Code §6990.1)

7) Provides that it is the intent of the Legislature in enacting the provisions described in 6) to develop procurement models in alignment with initiatives that enhance the state's training and access pipeline for quality jobs and the application of community benefits on infrastructure and manufacturing investments funded by specified federal law. (Public Contract Code §6999)

This bill:

1) Directs DIR to establish the California Public Infrastructure Task Force (Task Force), composed of representatives of all of the following:

   a. The Labor and Workforce Development Agency.
   b. The Transportation Agency.
   c. The Department of Transportation.
   d. The Department of General Services.
   e. The Civil Rights Department.
   f. The California Workforce Development Board.
   g. Local workforce development boards.
   h. Unions.
   i. Contractors and subcontractors.
   j. Nonprofit organizations.

2) Directs the Task Force to do all of the following:

   a. Conduct regular meetings to make recommendations regarding recruiting from underrepresented communities and removing barriers to employment in public infrastructure projects for underrepresented communities.

   b. Conduct outreach and engagement activities with contractors and subcontractors to promote employment in public infrastructure projects for underrepresented communities.

   c. Provide ongoing compliance assistance at the prebid and postbid stages to contractors and subcontractors in public infrastructure projects regarding their nondiscrimination obligations.

   d. Evaluate the efforts of contractors and subcontractors to recruit and utilize talent from underrepresented communities in public infrastructure projects.

COMMENTS

1. Background:

Federal Investments and SB 150 (Durazo, Statutes of 2023)
Over the course of 2021 and 2022, the federal government made significant investments in infrastructure and the green economy through the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA), and the CHIPS and Science Act. Combined, the

money from these three pieces of legislation amounts to over a trillion dollars.[1] Former President Biden also issued Executive Order 14008, Tackling the Climate Crisis at Home and Abroad, to direct 40 percent of the overall benefits of certain federal climate, clean energy, affordable and sustainable housing, and other investments to disadvantaged communities.

In response, the Legislature passed and the Governor signed a slate of bills aimed at maximizing the above federal investments. One of these bills, SB 150 (2023) directed the LWDA, Government Operations Agency, and Transportation Agency to convene stakeholders to provide input on recommendations to develop procurement models for investments funded by the IIJA, IRA, and CHIPS and Science Act. The recommendations developed through the SB 150 process were finalized in an April 2, 2024 report titled "SB 150 Stakeholder Workshops Update & Recommendations: Report to the Governor and Legislature." Among other policies, the report recommended increasing project apprenticeship ratios, shifting bidding policies to "best value" or "most qualified," establishing local hire goals, incentivizing contractors to hire disadvantaged workers, and improving data collection to increase accountability.

On President Trump's first day of his second term, he issued an executive order commanding federal agencies to immediately pause the disbursement of funds under the IIJA and IRA. In doing so, the President blocked congressionally approved spending and refused to honor contracts in which the federal government promised funding for states, cities, and other recipients.[2] Furthermore, in the President's March 4, 2025 joint address to Congress, he called for the repeal of the CHIPS Act. Although these actions are the subject of several lawsuits aimed at unfreezing the money, currently, the funding pause remains in place.

The background sheet provided by the author presents SB 469 as a way to further SB 150's efforts to ensure federal investments reach disadvantaged workers. Currently, there is no guarantee that the state will receive any more money from the IIJA, IRA, and CHIPS Act. However, this bill would still apply to state investments in public infrastructure.

Procurement and Contracting Disparity Study

California spends $10-12 billion annually on contracts for goods and services.[3] Recently, the state has taken steps to advance the equitable inclusion of small and diverse businesses in procurement and contracting opportunities. State agencies must establish a minimum goal of 25 percent participation for small businesses, including microbusinesses, in the provision of goods, IT, and services to the state, and in the construction of state facilities. DGS also operates a Minority-Owned Small Business Task Force to provide a forum for diverse small businesses and affiliate organizations to identify ways to improve the state's procurement process for state-certified small and micro businesses.

In 2022, AB 2019 (Petrie-Norris) authorized a disparity study to assess whether the state has engaged in any exclusionary practices in the procurement of goods and services. Specifically, it will examine the state's contracting processes to determine if minority-owned, woman-owned, LGBTQ-owned, certified small businesses, and disabled veteran-owned businesses

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[1]UC Berkeley Labor Center, "Research Update on Federal Investments" https://slper.senate.ca.gov/sites/slper.senate.ca.gov/files/UCB%20Labor%20Center%20Research%20Update.pdf

[2] Timothy Cama, "Trump kicks off potentially messy fight over Biden's infrastructure money" https://www.politico.com/news/2025/01/21/trump-fight-biden-infrastructure-money-00199796

[3] About – CADGS Disparity Study

have equitable access to state contracting opportunities. The study will also recommend equitable contracting practices. DGS expects the study to be completed in December 2025.

The Task Force proposed by this bill is in line with existing efforts to diversify public contractors.

2. **Committee Comment:**

DIR's mission is to improve working conditions for California's wage earners and to advance opportunities for profitable employment. DIR administers and enforces laws governing wages, hours and breaks, overtime, retaliation, workplace safety and health, apprenticeship training programs, and medical care and other benefits for injured workers. DGS serves as the business manager for the state and provides a variety of services to state agencies, including procurement, real estate management, printing, web design, and more. The procurement division within DGS sets state procurement policies and provides purchasing services. The division also certifies small and/or disabled veteran business to do business with the state and sponsors the Small Business Council.

This bill directs the Task Force to provide ongoing compliance assistance at the prebid and postbid stages to contractors and subcontractors in public infrastructure projects regarding their nondiscrimination obligations. Unlike the other directives, which include making recommendations to increase the participation of underrepresented communities and conducting outreach, it is unclear what compliance assistance at the prebid and postbid stages looks like. *What sort of technical support could the Task Force provide?* Furthermore, *is it appropriate for a Task Force housed within DIR to provide this sort of support when DGS is the procurement policy expert?*

3) **Need for this bill?**

According to the author:

"When SB 150 (Durazo, 2023) was signed in to law, the Labor and Workforce Development Agency, the Government Operations Agency, and the Transportation Agency were required to convene stakeholders to provide input and recommendations for establishing terms to be included as a material part of a contract, including measurable results to ensure that investments maximize benefits to marginalized and disadvantaged communities. These recommendations were required to be catalogued and listed in a report to the governor in Spring of 2024.

According to the report, stakeholders had a wide variety of recommendations such as: expanding the skilled and trained workforce, development of community benefit plans (CBP's), incentives to private companies for more equitable CBP's, inclusion of union and non-union contractors, a need for greater interagency collaboration and capacity to design and administer workforce standards, more robust tracking and reporting on hiring, and many other recommendations…

Since SB 150's passage, it is still unclear to what degree, if any, the state's departments are following the stakeholder recommendations to ensure public infrastructure community plans are achieving their maximum benefit.

Under the current federal administration, as more Diversity, Equity, & Inclusion (DEI) efforts are shut down every day across the country, it is critical, now more than ever to protect and expand all resources and forms of DEI the state of California has to offer…

SB 469 will ensure the vision and intention of SB 150 and help ensure California's workforce development in public infrastructure and construction is diverse, equitable, and inclusionary."

4. Proponent Arguments:

None received.

5. Opponent Arguments:

None received.

6. Prior Legislation:

SB 1340 (Smallwood-Cuevas, Chapter 626, Statutes of 2024) authorized local enforcement of employment discrimination complaints under the Fair Employment and Housing Act, as specified. *An earlier version of this bill included language nearly identical to SB 469 that would have established a California Public Infrastructure Task Force. This language was amended out on August 23, 2024.*

SB 150 (Durazo et al., Chapter 61, Statutes of 2023) required the LWDA, the Government Operations Agency, and the Transportation Agency to convene stakeholders and develop recommendations for procurement models to ensure that federal IIJA, IRA, and CHIPS Act investments include enforceable commitments to job quality and to consult with the Civil Rights Department, other relevant state agencies, and a UC research institution to develop and finalize recommendations by March 30, 2024.

AB 2019 (Petrie-Norris, Chapter 730, Statutes of 2022) codified a 25 percent small business goal for state procurement and directed DGS to conduct a statewide procurement and contracting disparity study.

SUPPORT

None received.

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:	SB 578	**Hearing Date:**	March 26, 2025
Author:	Smallwood-Cuevas		
Version:	February 20, 2025		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Emma Bruce		

SUBJECT: California Workplace Outreach Program

KEY ISSUE

This bill directs the Department of Industrial Relations (DIR), upon appropriation of funds for this purpose, to establish the California Workplace Outreach Program (Program) to promote awareness of, and compliance with, workplace protections by contracting out with qualified organizations for worker outreach and the creation of educational materials.

ANALYSIS

Existing law:

1) Requires, under the California Occupational Safety and Health Act, an employer to:

    a. Furnish employment and a place of employment that is safe and healthful.
    b. Furnish and use safety devices and safeguards, as well as adopt and use practices, means, methods, operations, and processes that 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 et seq.)

2) Establishes the Labor and Workforce Development Agency (LWDA) to serve California workers and businesses by improving access to employment and training programs; enforcing California labor laws to protect workers and create an even playing field for employers; and administering benefits that include workers' compensation, unemployment insurance, disability insurance, and paid family leave. (Government Code §15550 et seq.)

3) Establishes DIR in the 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)

4) Establishes an administrative agency, the Civil Rights Department (CRD), responsible for receiving, investigating, and adjudicating allegations of housing and workplace discrimination under the Fair Employment and Housing Act. (Government Code §12930)

5) Directs the Division of Labor Standards Enforcement (DLSE), upon appropriation of funds for this purpose, to establish and maintain an outreach and education program in conjunction with community-based organizations to promote awareness of, and compliance with, labor protections that affect the domestic work industry. (Labor Code §1455)

6) Directs DIR, upon appropriation, to establish and maintain a Garment Worker Wage Claim Pilot Program and to contract with qualified organizations to educate garment workers on, and provide legal assistance for, filing wage claims. (Labor Code §2693.1)

This bill:

1) Adds a new division to the Labor Code, commencing with Section 11000, that directs DIR, upon appropriation of funds for this purpose, to establish and administer the California Workplace Outreach Program (Program).

2) States the purpose of the Program shall be to promote awareness of, and compliance with, workplace protections that affect California workers, with a focus on low-wage and high-violation industries.

3) Directs DIR to issue a competitive request for application to qualified organizations to provide education and outreach services to workers and to assist workers to assert their workplace rights.

4) Defines "qualified organization" as a nonprofit organization with demonstrated experience in carrying out in-person outreach and education directed at workers in industries and demographic groups deemed by DIR or its divisions to be vulnerable to violations of workplace protections.

5) Requires qualified organizations to consult with DIR regarding priority topics for outreach and education.

6) Requires qualified organizations to consult with DIR, other departments and divisions of the LWDA, and CRD, to create education and outreach materials informing workers of their rights on priority topics and training materials for workers and organizations.

7) Specifies the materials shall be translated into non-English languages, determined by each qualified organization in consultation with DIR, as appropriate for the geographic region they serve.

8) Authorizes DIR to require qualified organizations to participate in training and gives DIR final approval over the education and outreach materials.

9) Directs DIR and qualified organizations to meet at least twice a year to coordinate efforts around outreach, education, and enforcement, including sharing information, in accordance with applicable privacy and confidentiality laws, that will shape and inform the overall enforcement strategy of DIR.

COMMENTS

1. Background:

California Covid-19 Workplace Outreach Project (CWOP) Budget Appropriations

Five years ago, the Covid-19 pandemic swept across the globe, shutting down workplaces and disrupting lives. Californians who were unable to work from home were uniquely vulnerable to the virus. Often, these workers were concentrated in the following high-risk,

low-wage industries: agriculture, food processing, food service, janitorial services, manufacturing, and warehousing.[1] In response, the state allocated $32.5 million from the General Fund in 2020 to the LWDA for Covid-19 related employer and worker education, engagement, and enforcement in high-risk industries. With this funding, the LWDA established CWOP to reach and empower high-risk workers through trusted organizations and community leaders. CWOP began as a six-month program within the LWDA, but has since been extended several times over and moved within DIR.

The 2022 Budget Act included $25 million from the General Fund each in 2022-2023 and 2023-2024 for CWOP.[2] In 2023, CWOP was renamed the California Workplace Outreach Program to reflect its expanded focus on all workplace rights, not just those related to Covid-19. The 2024-2025 state budget included $30 million for CWOP. DIR's website has a full list of community-based organizations receiving funds under the most recent budget allocation. SB 578 would codify this temporary program in the Labor Code.

Applicant Requirements

DIR reviews all CWOP applicants to confirm compliance with administrative and technical requirements. At a minimum, all applicants must provide an IRS determination letter proving their status as a 501 (c)(3), 501 (c)(4), or 501 (c)(5) as well as an IRS Form 990. Applicants that meet the administrative review requirements then face a technical review where they are scored according to five criteria: 1) experience, 2) organizational capacity, 3) project scope, 4) previous CWOP participation, and 5) tactics, populations, and geography.

CWOP Outreach

CWOP utilizes a trusted messenger model, recognizing that local partners embedded in communities are able to connect with workers in a way that government officials cannot. Furthermore, California is geographically vast and demographically diverse, which makes it difficult to use a single standardized approach for worker outreach. By contracting with community-based organizations (CBOs) across the state, DIR can tailor its approach to the environment. From February 2021 to September 2024, CBOs working with CWOP made 7.5 million touchpoints and conducted 1.5 million two-way conversations with workers and employers. [3]

Recently, DIR partnered with four University of California programs, the UC Berkeley Labor and Occupational Health Program, the UC Davis Western Center for Agricultural Health and Safety, the UCLA Labor Occupational Safety and Health Program, and the UC Merced Community and Labor Center, to help administer CWOP. In conjunction with its UC partners, DIR provides training and technical assistance to participating CBOs. Trainings focus on current regulations and procedures for reporting workplace non-compliance. As a result, CBOs expand their knowledge of labor issues and their ability to help workers.

The first CBOs to receive funds in February 2021 provided information about how to prevent the spread of Covid-19, paid sick leave, and other pandemic specific laws. Today, outreach focuses on wage theft, workers' compensation, heat illness, and support filing complaints for

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[1] Flores, Juan. "Analysis Shows Pandemic's Toll on California Workers in High-Risk Industries." May 2021, UC Merced Labor Center, [Analysis Shows Pandemic's Toll on California Workers in High-Risk Industries | Newsroom]

[2] Labor and Workforce Development Budget, 2022-2023, https://ebudget.ca.gov/2022-23/pdf/Enacted/GovernorsBudget/7000.pdf

[3] CWOP Campaign Report, Outreach from September 1, 2023- September 20, 2024, https://www.dir.ca.gov/outreach/cwop/docs/CWOP-Campaign-Report-2023-2024.pdf

workplace non-compliance. Common outreach tactics include door-to-door canvassing, phone banking, trainings, workshops, events in high-trafficked areas, flyers, social media posts, direct mailers, and ethnic media partnerships. From September 2023 through September 2024, 76 CBOs statewide participated in CWOP. Over the same period, the five most common languages used to interact with workers were Spanish, English, Mixteco, Vietnamese, and Arabic.[4] The state's most vulnerable workers, especially those who are undocumented, may feel uncomfortable reaching out to the government for help. CWOP is a way to reach them.

Committee Comments

SB 578 would direct qualified organizations to consult with DIR, other departments and divisions of the LWDA, and CRD to create education and outreach materials. In doing so, this bill would expand the scope of CWOP. When the LWDA housed CWOP, CBOs consulted with the agency. Consulting with CRD, however, would be a new endeavor.

2. Need for this bill?

According to the author:

"This bill would codify CWOP program to make it a permanent feature in our labor standards enforcement landscape and would build on two industry-specific precedents: an outreach program for domestic workers (Labor Code section 1455), and a wage claim program for garment workers (Labor Code section 2693.1). Expanding on these successful pilots to reach all low-wage industries is long overdue.

SB 578 would also expand the scope of CWOP to include workplace rights administered by the Employment Development Department (EDD), including paid family leave, disability leave, and unemployment insurance; and the Civil Rights Department (CRD), which protects the rights of Californians to work without discrimination or harassment on the basis of sex, race, ethnicity, language, and other protected characteristics."

3. Proponent Arguments:

According to the sponsors of the measure, the California Coalition for Worker Power:

"Investment in CWOP has already yielded positive returns for our economy. CWOP saved untold lives and prevented costly hospital stays by vaccinating hundreds of thousands of workers and mitigating the spread of Covid-19 in California's workplaces…

While the fiscal impact of proactive and preventative programs is difficult to measure, CWOP's return on investment is clearly substantial. The billions of dollars stolen from workers' paychecks each year should be circulating in our economy. This colossal wage theft also causes losses of tax revenue to the state, in addition to unpaid obligations to our workers compensation and unemployment insurance funds via fraudulent misclassification. Our economy suffers when workers miss work or become disabled due to workplace hazards.

CWOP not only ensures that workers enjoy respect and dignity on the job, but saves the state money by preventing wage theft and unsafe conditions. Community organizations report that

[4] Ibid.

due to their outreach, workers who are newly informed about their workplace rights share information about California's labor standards with their employers, who can update their policies to comply. Trusted messengers often secure justice for workers through informal resolution strategies, such as letters outlining alleged violations and demanding remedies. These strategies result in timely resolution for workers without adding strain to our overburdened enforcement agencies."

4. **Opponent Arguments:**

None received.

5. **Prior Legislation:**

SB 1030 (Smallwood-Cuevas, 2024) was nearly identical to this bill and would have directed DIR, upon appropriation, to establish the California Workplace Outreach Project to promote awareness of, and compliance with, labor protections by contracting out with qualified organizations for worker outreach and the creation of educational materials. *This bill was held in the Senate Appropriations Committee.*

AB 130 (Committee on Budget, Chapter 39, Statutes of 2023) deleted the June 30, 2024 inoperative date for the domestic worker outreach and education program within DLSE and provided $35 million in one-time funds for grants to community based organizations for domestic worker education and outreach.

AB 138 (Committee on Budget, Chapter 78, Statutes of 2021) established the Garment Worker Wage Claim Pilot Program within DIR to contract with qualified organizations for the purpose of providing educational services to garment workers regarding wage violations.

SB 115 (Committee on Budget and Fiscal Review, Chapter 40, Statutes of 2020), among other things, provided $32.5 million from the General Fund to the LWDA to slow the spread of COVID-19 through employer and worker education and engagement, and enforcement.

SB 83 (Committee on Budget and Fiscal Review, Chapter 24, Statutes of 2019), among other things, established a domestic worker outreach and education program within DLSE to promote awareness of, and compliance with, labor protections that affect the domestic work industry and to promote fair and dignified labor standards in this industry.

SUPPORT

California Coalition for Worker Power (Sponsor)
American Federation of State, County, and Municipal Employees
Asian Americans Advancing Justice Southern California
Black Women for Wellness Action Project
California Coalition for Worker Power
California Domestic Workers Coalition
California Federation Business and Professional Women
California Healthy Nail Salon Collaborative
California Immigrant Policy Center
California Labor Federation
California Nurses Association

California Partnership to End Domestic Violence
California Rural Legal Assistance Foundation
California Work & Family Coalition
Caring Across Generations
Center for Community Action and Environmental Justice
Center for Workers' Rights
Center on Policy Initiatives
Central California Environmental Justice Network
Central Coast Alliance United for A Sustainable Economy
Central Labor Council, Fresno-Madera-Tulare-kings Counties
Central Valley Empowerment Alliance
Centro Binacional Para El Desarrollo Indigena Oaxaqueño (CBDIO)
Child Care Law Center
Chinese Progressive Association
Clean Carwash Worker Center
Consumer Attorneys of California
Earthlodge
East Bay Alliance for A Sustainable Economy (EBASE)
Equal Rights Advocates
Friends Committee on Legislation of California
Grace - End Child Poverty in California
Human Impact Partners
Inland Coalition for Immigrant Justice
Inland Empire Black Worker Center
Inland Empire Labor Council
Jakara Movement
Jobs With Justice San Francisco
Koreatown Immigrant Workers Alliance (KIWA)
Legal Aid At Work
Lideres Campesinas
Los Angeles Alliance for A New Economy
Los Angeles Worker Center Network
Maintenance Cooperation Trust Fund
Mixteco Indigena Community Organizing Project
Mujeres En Acción
National Domestic Workers Alliance
National Employment Law Project
North Bay Jobs With Justice
Orange County Equality Coalition
Parent Voices California
Partnership for A Better San Diego
Pilipino Workers Center
Pomona Economic Opportunity Center
Powerswitch Action
Restaurant Opportunities Center of Los Angeles
Sacramento Central Labor Council
Service Employees International Union
Southern California Black Worker Hub for Regional Organizing
Southern California Coalition for Occupational Health and Safety
Techequity Action

The Cambodian Family
The Way Resource Center
Trabajadores Unidos Workers United
UCLA Labor Center
United Farm Workers
United for Respect
Universidad Popular
Valley Forward
Valley Voices
Warehouse Worker Resource Center
West Modesto Community Collaborative
Women's Foundation California
Working Partnerships USA
Worksafe

OPPOSITION

None received.

-- END --