
SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair
2021 - 2022 Regular

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| Bill No: | AB 138 | Hearing Date: | June 30, 2021 |
| Author: | Committee on Budget | | |
| Version: | June 27, 2021 As amended | | |
| Urgency: | No | Fiscal: | Yes |
| Consultant: | Anita Lee | | |

Subject: Employment: health care benefits: unemployment insurance: policies and practices

Summary: This bill makes necessary changes to implement the labor and employee compensation provisions adopted as a part of the Budget Act of 2021.

Proposed Law: This bill makes various statutory changes to implement the labor and employee compensation provisions of the 2021-22 budget. Specifically, this bill:

- 1) Requires the Employment Development Department (EDD), by January 1, 2024, to provide an unemployment insurance or disability insurance claimant the option to receive payments via direct deposit, in addition to other payment methods including debit cards and checks.
- 2) Requires EDD to provide to the Legislature, by May 1, 2022, a plan to assess the effective of their fraud prevention and detection tools. The bill also requires EDD to report to the Legislature by January 1, 2023 and annually, on their analysis and assessment of fraud prevention and detection tools.
- 3) Specifies that the local education agencies contribution rate for the School Employees Fund shall be 0.5 percent in the 2021-22 and 2022-23 fiscal year.
- 4) Requires EDD to provide oral and signed language unemployment insurance services in real time by qualified interpreters or bilingual staff by January 1, 2022. This bill also specifies that by December 1, 2022, EDD must provide dedicated phone lines for unemployment insurance claims in the top seven non-English languages used by limited English proficient adults in the state with consistent wait times across all phone lines, and to collect and review data on phone usage by limited English proficient adults. The bill also requires EDD translate various unemployment documents in non-English languages, and to be posted online. The bill also requires EDD to translate the Unemployment Insurance Online interface in the top seven non-English languages by April 1, 2024.
- 5) Extends the sunset date of the disability insurance and paid family leave wage replacement rate of 60 or 70 percent of a claimant's weekly salary, depending on income, from January 1, 2022 to January 1, 2023.
- 6) Authorizes the EDD to share wage data with Department of Fair Employment and Housing to comply with Government Code 12999 regarding pay data.

- 7) Establishes the Garment Worker Wage Claim Pilot Program at the Department of Industrial Relations to provide resources to qualified organizations to support garment workers seeking to file a wage claim.
- 8) Defines “High Road Training Partnerships” as strategies for developing industry based, worker focused partnerships. These partnerships demonstrate various job quality and employment practices. Specifies that the Workforce Development Board shall collect wage and employment data to evaluate HRTPs, as well provide reports to the Legislature on outcome data for the program.
- 9) Shifts the statutory responsibility of dependent verification for retiree and active state employees’ health benefit plans from California Public Employees Retirement System (CalPERS) to the Department of Human Resources.
- 10) Provides \$1.8 billion Proposition 2 fund to make a supplemental pension payment to CalPERS unfunded liability. The bill also makes a \$616 million Proposition 2 fund payment on behalf of employees for the 2020-21 employee retire health prefunding that was suspended for 2020-21.

Fiscal Effect: This bill is a budget trailer bill within the overall 2021-22 budget package to implement actions related to labor and employee compensation, and makes various appropriations.

Support: None on file.

Opposed: None on file.

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