

(Without Reference to File)

CONCURRENCE IN SENATE AMENDMENTS

AB 138 (Committee on Budget)

As Amended June 27, 2021

Majority vote. Budget Bill Appropriation Takes Effect Immediately

**SUMMARY**

This is the employment trailer bill and contains the necessary changes related to the 2021 Budget Act. The bill makes changes to the unemployment insurance and disability insurance programs, including expanded language access and direct deposit options.

**Senate Amendments**

Delete the previous version of this bill and instead insert the following:

- 1) Revises the specified verification process for verifying eligibility of an employee's family member for enrollment in a health benefit plan. This bill moves that responsibility from the Board of Administration of the Public Employees' Retirement System to the employing office.
- 2) Requires that an employing office obtain verifying documentation to substantiate continued eligibility at least once within a 3-year period from the initial enrollment for children and adopted children, and at least once every 3 years for stepchildren and domestic partner children.
- 3) Appropriates General Fund to supplement the state's appropriation to the Public Employees' Retirement Fund.
- 4) Appropriates the state contribution to prefund retiree health care and other postemployment benefits.
- 5) Requires supplemental payment to the Annuitants' Health Care Coverage Fund to specific state employee bargaining unit subaccounts.
- 6) Established the Garment Worker Wage Claim Pilot Program to contract with qualified organizations for the purpose of providing educational services to garment workers regarding wage violations.
- 7) Requires the Employment Development Department (EDD) provide the Legislature with a plan for assessing the effectiveness of its fraud prevention and detection tools by May 1, 2022 and report on those efforts annually.
- 8) Makes a number of changes to access EDD services for Californians with limited English proficiency by requiring that all standard information employee pamphlets concerning unemployment and disability insurance programs be printed in English and the top 7 non-English language used in California.

- 9) Requires EDD to establish and host a primary language multilingual access portal for unemployment insurance by February 1, 2024, and to translate the unemployment insurance online interface in primary languages by April 1, 2024.
- 10) Requires EDD to provide oral and signed language unemployment insurance services by qualified interpreters or bilingual staff by January 1, 2022.
- 11) Requires EDD, by March 2022, to employ a multilingual access coordinator and a multilingual access unit to coordinate the department's language access services, provide technical assistance to department staff, and monitor the provision of language access services.
- 12) Establishes the contribution rate to the School Employees Fund from each school employer to be .5% beginning July 1, 2021 and the subsequent fiscal year.
- 13) Adds the Department of Fair Employment and Housing to the list of entities permitted to use information obtained in the administration of the Unemployment Insurance Code and authorizes the department to use the information to carry out its duties ensuring compliance with specified pay data reporting requirements.
- 14) Extends until January 1, 2023 the existing calculations for determining benefits available to qualifying disabled individuals.
- 15) Requires EDD to begin providing individuals entitled to receive benefits under the state unemployment insurance compensation program or the disability insurance compensation program, the option to receive payments directly deposited by electronic funds transfer into a qualifying account of the recipient's choice.
- 16) Requires that the California Workforce Development Board (CWDB) assist the Governor in defining high road employers, high roads jobs, high road workforce development and highroad training partnerships in California.
- 17) Requires CWDB to collect data and report on program outcomes. CWDB will report back to the Legislature by October 1 of even numbered years with any information available.

## COMMENTS

This bill is a budget trailer bill within the overall 2021-22 budget package to provide additional parameters for the administration of the unemployment insurance and disability insurance programs as specified.

The bill also appropriates funds for retiree benefits and health care coverage.

## According to the Author

## Arguments in Support

None on file.

**Arguments in Opposition**

None on File

**FISCAL COMMENTS**

This bill allocates \$1.881 billion from the General Fund to supplement the state's appropriation to the Public Employees' Retirement Fund. The appropriation is applied to the unfunded state liabilities for the state employee member categories that are in excess of the base amounts for the 2021-22 fiscal year.

This bill also appropriates \$616 million from the General Fund for the prefunding of retiree health care and other postemployment benefits.

The bill provides funds for the supplemental payment to the Annuitants' Health Care Coverage Fund including:

- 1) \$251 million for employees in State Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21;
- 2) \$11 million for employees in State Bargaining Unit 2;
- 3) \$65 million for employees in State Bargaining Unit 5;
- 4) \$115 million for employees in State Bargaining Unit 6;
- 5) \$25 million for employees in State Bargaining Unit 7;
- 6) \$23 million for employees in State Bargaining Unit 8;
- 7) \$28 million for employees in State Bargaining Unit 9;
- 8) \$9 million for employees in State Bargaining Unit 10;
- 9) \$32 million for employees in State Bargaining Unit 12;
- 10) \$3 million for employees in State Bargaining Unit 13;
- 11) \$6 million for employees in State Bargaining Unit 16;
- 12) \$17 million for employees in State Bargaining Unit 18;
- 13) \$17 million for employees in State Bargaining Unit 19; and
- 14) \$14 million for specified employees who are not related to a State Bargaining Unit and are excepted from the general definition of state employee and officers or employees of the executive branch of state government who are not members of the civil service.

**VOTES:****ASSEMBLY FLOOR: 56-18-5**

**YES:** Aguiar-Curry, Arambula, Bauer-Kahan, Bennett, Berman, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chiu, Cooley, Cooper, Daly, Friedman,

Gabriel, Cristina Garcia, Eduardo Garcia, Gipson, Lorena Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Lee, Levine, Low, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Stone, Ting, Villapudua, Ward, Wicks, Wood, Rendon

**NO:** Bigelow, Chen, Choi, Cunningham, Megan Dahle, Davies, Flora, Fong, Gallagher, Kiley, Lackey, Mathis, Nguyen, Patterson, Seyarto, Smith, Voepel, Waldron

**ABS, ABST OR NV:** Frazier, Kamlager, Mayes, Quirk, Valladares

**UPDATED**

VERSION: June 27, 2021

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