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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Nancy Skinner, Chair  
2023 - 2024 Regular

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<b>Bill No:</b>	AB 130	<b>Hearing Date:</b>	June 26, 2023
<b>Author:</b>	Committee on Budget		
<b>Version:</b>	June 24, 2023 Amended		
<b>Urgency:</b>	Yes	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Christopher Francis		

**Subject:** Employment

**Summary:** This bill makes necessary changes to implement the labor, workforce, and employment provisions adopted as a part of the Budget Act of 2023.

**Proposed Law:** This bill makes various statutory changes to implement the labor, workforce, and employment provisions of the 2023-24 budget. Specifically, this bill:

- 1) ***Unemployment Fund and the Unemployment Compensation Disability Fund Reporting Dates.*** Requires the Employment Development Department to submit to the Legislature in January and May, instead of May and October, of each year a report on the status of the Unemployment Fund and the Unemployment Compensation Disability Fund containing actual and forecasted information on each fund.
- 2) ***Domestic Worker and Employer Education and Outreach Program.*** Eliminates the July 1, 2024 inoperative and January 1, 2025 repeal date on the provisions, thereby making the program permanent.
- 3) ***Prevailing Wage and Public Works.*** Clarifies contractor registration requirements, establishes penalties for violations of AB 2011 (Wicks), Chapter 647, Statutes of 2022 and SB 6 (Caballero), Chapter 659, Statutes of 2022, and provide the Department of Industrial Relations (DIR) with the authority to establish and adjust annual registration and renewal fees.
- 4) ***Retirement Rate Adjustment for Excluded Employees.*** Provides the Department of Human Resources (CalHR) with the flexibility to adjust retirement rates for excluded employees. Currently, changes to excluded employee retirement rates depend on the associated bargaining unit.
- 5) ***Uniform Payroll Cycle.*** Amends Government Code section 19824 to change the State's current unique "monthly" payroll cycle to "uniform" payroll cycle. This will allow implementation of a customary biweekly payroll cycle with the implementation of the California State Payroll System (CSPS) project.
- 6) ***Compensation Study Schedule.*** Amends the timeline for CalHR's statutory requirement to create and submit total compensation reports six months prior to the expiration of a Memorandum of Understanding (MOU) to biennially. This proposal is based on a 2021 recommendation of the LAO. The purpose of the change is to

provide consistent and improved data that decision makers can depend on. The first set of biennial reports will be published on February 1, 2025.

- 7) ***Community Economic Resilience Fund Chaptering Out Clean-up.*** Addresses a chaptering out issue during the 2022 legislative session. This trailer bill restores changes approved in legislation signed into law, AB 2342 (Cervantes), Chapter 568, Statutes of 2022, that was subsequently chaptered out by AB 156 (Committee on Budget), Chapter 569, Statutes of 2022.

**Fiscal Effect:** This bill is a budget trailer bill within the overall 2023-24 budget package to implement actions related to labor, workforce, and employment and makes an appropriation related to the Proposition 2 Supplemental Pension Payment. Specifically, this bill would appropriate \$1,657,000,000 from the General Fund for the purposes identified in the constitutional provisions described above, to supplement the state's appropriation to the Public Employees' Retirement Fund.

**Support:** None on file.

**Opposed:** None on file.

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