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THIRD READING

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Bill No: SB 864  
Author: Smallwood-Cuevas (D)  
Amended: 3/22/23  
Vote: 21

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SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 5-0, 4/12/23  
AYES: Cortese, Wilk, Durazo, Laird, Smallwood-Cuevas

SENATE APPROPRIATIONS COMMITTEE: 5-2, 5/18/23  
AYES: Portantino, Ashby, Bradford, Wahab, Wiener  
NOES: Jones, Seyarto

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**SUBJECT:** Workforce development: workplace rights curricula

**SOURCE:** Author

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**DIGEST:** This bill requires the California Workforce Development Board (CWDB) to partner with the Employment Development Department (EDD) and Labor and Workforce Development Agency (LWDA) to develop workplace rights curricula and ensure local workforce development boards are providing that workplace rights information to prospective employees.

**ANALYSIS:** Existing federal law establishes the federal Workforce Innovation and Opportunity Act (WIOA) to require local workforce development boards (local boards) to be established in each area of the state to assist in planning, oversight, and evaluation of local workforce investment, perform various duties, and develop and submit to the Governor a comprehensive four-year local plan in partnership with the appropriate chief local elected official.

Existing state law:

- 1) Establishes the CWDB within the LWDA to develop, provide oversight, and continuous improvement of California's workforce development system, and charges the CWDB with multiple tasks relative to the promotion and

development of a well-educated and highly skilled workforce.

- 2) Requires local boards developing a local plan to, among other things, carry out analyses of the economic conditions in the region, the needed knowledge and skills for the region, the workforce in the region, and workforce development activities, including education and training.
- 3) Requires local boards to develop and submit to the Governor a comprehensive four-year local plan to include, among other things, strategic planning elements, analyses of the workforce region and development activities, alignment of resources available to the local area, and a description of the one-stop delivery system.

This bill:

- 1) Requires the CWDB to assist the Governor in partnering with LWDA and other subject matter experts to develop workplace rights curricula to include, but not be limited to training regarding a worker's rights and protections relative to wage theft, sexual harassment, discrimination, right to organize, and health and safety.
- 2) Requires the CWDB to assist the Governor in partnering with LWDA to provide the workplace rights curricula to all persons receiving individualized career services, supportive services, or training services through the California workforce system, including, but not limited to, those who receive either short-term prevocational services or who are engaged in workforce preparation activities.
- 3) Requires local boards to ensure workplace rights training to all individuals receiving individualized career services, supportive services, or training services through the California workforce system, including, but not limited to, all individuals who receive either short-term prevocational services or who are engaged in workforce preparation activities.
- 4) Requires local boards to include in their local plan a description of how they plan to comply with the workplace rights training requirement in this bill.
- 5) States the intent of the Legislature to ensure one-stop career services shall include, as part of any short-term prevocational services or workforce

preparation activities, workplace rights training.

## **Background**

The federal Workforce Investment Act (WIA), later replaced by WIOA in 2014, was created to increase access to and opportunities for the employment, education, training, and support services workers need to succeed in the labor market. The CWDB was created to assist the Governor in coordinating with federal, state, and local entities to administer workforce training and education programs. Local workforce development boards bring together employers, community leaders, labor, education, policymakers, and the public to facilitate dialogue and respond to local workforce needs at the regional level. There are 45 workforce development boards within the 49 Local Workforce Development Areas throughout California, each tasked with ensuring those seeking work can access job placement and training services.

According to a report from the Wage Claims Adjudication Unit within the Department of Industrial Relations, nearly 40 million dollars in wages were recovered in 2021. That same year a total of 18,609 claims were filed, representing approximately 60,700 alleged violations. These violations include unpaid minimum wages, unpaid overtime, meal and rest break violations, and a significant number of claims alleging failure to provide paid sick leave. A significant share of these wage claims were made in sectors where job seekers served through the state's career centers are frequently placed after receiving job search and placement assistance.

## **Comments**

*Purpose of this bill.* According to the author, “Low wage job seekers who find work through the career centers often find work in the same job sectors where labor law violations, like wage theft are most pronounced. According to a report from the Wage Claims Adjudication Unit of the Labor Commissioner’s Office, nearly 40 million dollars in wages were recovered in 2021. That same year a total of 18,609 claims were filed, representing approximately 60,700 alleged violations. These violations include unpaid minimum wages, unpaid overtime, meal and rest break violations, and a significant number of claims alleging failure to provide paid sick leave. A significant share of these wage claims were made in the restaurant and retail sectors where job seekers served through the state’s career centers are frequently placed after receiving job search and placement assistance.”

**Related/Prior Legislation**

AB 2148 (Mullin - Chapter 385, Statutes of 2014) required the CWDB to assist the Governor in the development of a workforce metrics dashboard to measure the labor market outcomes of specified workforce development programs, including federally funded WIOA Title I and Title II programs, Community College career education programs, the Employment Training Panel's incumbent worker training programs, and apprenticeship programs overseen by the Division of Apprenticeship Standards.

SB 734 (DeSaulnier - Chapter 498, Statutes of 2012) imposed requirements related to the expenditure of WIA funds on job training programs, including increasing WIA funds provided to local boards and requiring EDD to monitor compliance.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Committee on Appropriations:

- CWDB, EDD, and LWDA indicate that administrative costs would be minor and absorbable.
- By requiring local workforce development boards to perform specified duties, this bill creates a state-mandated local program. To the extent the Commission on State Mandates determines that the provisions of this bill create a new program or impose a higher level of service, counties could claim reimbursement of those costs (General Fund). The magnitude of these costs is unknown, but potentially in excess of \$50,000 per year (General Fund).

**SUPPORT:** (Verified 5/18/23)

California Immigrant Policy Center

**OPPOSITION:** (Verified 5/18/23)

None received

**ARGUMENTS IN SUPPORT:** According to the California Immigrant Policy Center, "One important service that California's public workforce development system is not currently required to provide is training and education on worker's rights. Under existing law, there is no requirement that state or local workforce agencies develop model workers' rights materials or training programs for prospective workers. Low-income workers, particularly immigrants and workers of color, experience disproportionately higher levels of worker rights violations.

“According to the Economic Policy Institute (EPI), low-income workers in California lost \$2 billion in 2015 from not being paid the minimum wage. In 2021, 19,000 unpaid wage claims for a total of \$320 million were filed with the California Labor Commissioner’s office. Furthermore, many immigrants fear reporting wage or other labor violations due to fears that they will be reported to law enforcement and deportation officials. California’s workforce development programs serve about 1 million workers annually, signaling an important need to ensure that these workers are not only trained and educated on career pathways and professional development, but also on their rights and protections in the workplace. Such training has the potential to help shield workers from wage theft, unsafe working conditions, and other worker abuses.

“SB 864 would directly address this gap by requiring that the CWDB create a workplace rights curricula for any workers who receive publicly-funded workforce development services. In addition, the bill would require that the LWDBs provide workforce services customers with workplace rights training that aligns with the CWDB curricula. Lastly, SB 864 would create a new requirement that LWDBs incorporate workers’ rights training plans into their quadrennial local workforce service delivery plans. This requirement would increase transparency around individual workforce agencies’ plans to train workers on their rights, and ensure that customers in all communities, not just a few, have access to information on their rights as workers.”

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