

Date of Hearing: August 23, 2023

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Chris Holden, Chair
SB 864 (Smallwood-Cuevas) – As Amended July 3, 2023

Policy Committee: Labor and Employment

Vote: 5 - 2

Urgency: No

State Mandated Local Program: Yes

Reimbursable: Yes

SUMMARY:

This bill requires the California Workforce Development Board (CWDB) to partner with the Labor Commissioner (LC) and other subject matter experts to develop a workplace rights curriculum to be taught through the state's workforce system.

Specifically, this bill:

- 1) Requires the curriculum to include topics such as a worker's rights and protections regarding wage theft, sexual harassment, discrimination, the right to organize, and health and safety and be provided to all individuals receiving individualized career services, supportive services, or training services through the state workforce system.
- 2) Requires each local workforce development board (LWDB) to ensure the provision of workplace rights training is consistent with the developed curriculum, including details such as the required qualifications for training instructors and the process for maintaining a record of training attendees. Each LWDB must also update its existing four-year local plan to describe such compliance efforts.
- 3) Requires CWDB to partner with the Employment Development Department (EDD) and the Labor and Workforce Development Agency (LWDA) to ensure LWDBs and one-stop career center providers provide the above-described training.

FISCAL EFFECT:

- 1) Costs of approximately \$605,000 in the first year and \$583,000 annually thereafter to the LC to develop the workplace rights curriculum and help provide ongoing training enforcement (Labor Enforcement and Compliance Fund).
- 2) Ongoing costs of approximately \$1.5 million to CWDB to ensure LWDBs and career center providers comply with training provisions and help develop the curriculum (General Fund (GF)).
- 3) Minor and absorbable costs to EDD and LWDA, as the training enforcement workload would primarily be conducted by the other state agencies.
- 4) By requiring LWDBs to provide specified workplace rights training, this bill creates a state-mandated local program. If the Commission on State Mandates determines the provisions of this bill create a new program or impose a higher level of service for which the state must

reimburse local costs, local boards could claim reimbursement from the state. The magnitude of these costs is unknown, but potentially in excess of \$150,000 (GF).

COMMENTS:

- 1) **Purpose.** According to the author, this bill empowers California's workforce "by allowing job seekers who visit career centers in search of advancing their employment opportunities to be educated about their rights as employees." The author notes such "education is critical to ensuring job seekers have the necessary tools to better protect themselves and their communities from job loss, unpaid wages, and financial insecurity." This bill is supported by the California Immigrant Policy Center, California Labor Federation, and California Workforce Association.
- 2) **Local Workforce Development Boards.** California's workforce development system is comprised of 49 local workforce development areas, each with its own business-led LWDB. In 2021, this system provided career services to nearly 37,000 individuals and training services to approximately 15,000 individuals. This bill requires CWDB and the LC to develop a curriculum regarding workplace rights and requires LWDBs to ensure related training is provided to individuals seeking services through the workforce development system. LWDBs' primary responsibility is to work with the state and local elected officials to oversee the delivery of workforce services relevant to each LWDB's residents and businesses. While education of workplace rights is undoubtedly essential to a robust workforce and economy, it is unclear whether LWDBs are the most efficient entities to ensure provision of this information, especially to reach the most marginalized workers who may benefit most from such training.
- 3) **Related Legislation.** AB 800 (Ortega) would require a minor seeking a work permit be issued a document clearly explaining basic labor rights, amongst other provisions. AB 800 is pending hearing in the Senate Appropriations Committee.

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