
SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair
2025 - 2026 Regular

Bill No:	AB 171	Hearing Date:	June 29, 2026
Author:	Committee on Budget		
Version:	June 26, 2026 As amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Diego Lopez		

Subject: Labor Budget Trailer Bill

Summary: This bill is an omnibus trailer bill related to labor, workforce development and employment and contains changes to implement the 2026-27 Budget Act.

Proposed Law: This bill makes various statutory changes to implement the employment provisions of the Budget Act of 2026-27. Specifically, this bill:

- 1) Makes changes to the Subsequent Injury Benefits Trust Fund (SIBTF) program to better align program requirements with the existing workers' compensation benefit program. Statutory changes specify the circumstances under which the above program changes do not apply.
- 2) Aligns the reporting requirement timelines relating to various grant programs, including requiring the California Workforce Development Board to produce and submit a report to the Legislature evaluating those grant programs by October 1 of every odd-numbered year, and other conforming changes.
- 3) Repeals the sunset date to make permanent changes to the timeline in which the Workers' Compensation Appeals Board acts on petitions for reconsideration.
- 4) Requires payment of the annual employer assessment by electronic funds transfer (EFT) and provides the Director of the Department of Industrial Relations with the discretionary authority to reduce or waive penalties.
- 5) Removes the salary cap for the Administrative Director of the Division of Workers' Compensation within the Department of Industrial Relations to align with other comparable positions.
- 6) Appropriates \$1 million one-time General Fund for administrative costs to implement the Fair Share Act as enacted by Assembly Bill 177 or Senate Bill 177.
- 7) Appropriates \$3.02 billion in one-time General Fund for a supplemental payment toward the California Public Employees' Retirement System (CalPERS) state plans' unfunded liabilities using available Proposition 2 debt repayment funding.

Fiscal Effect: This bill is a budget trailer bill within the overall 2026-27 budget package to implement actions related to labor, workforce development, and employment and makes various appropriations.

Support: None on file.

Opposed: None on file.

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