

Date of Hearing: April 8, 2026

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Blanca Rubio, Chair

AB 1823 (Jackson) – As Amended March 19, 2026

SUBJECT: State government: State Government Strategic Planning and Performance and Review Act: strategic plans: equity

SUMMARY: This bill would require each state agency subject to the Governor's authority to update the agency's strategic plan with more inclusive practices that advance racial equity and undertake a racial equity analysis before implementing any budget or before any regulation takes effect. **Specifically, this bill:**

1) Provides Every agency or department subject to the Governor's authority shall, for any strategic plan, do both of the following:

- a) Develop or update the strategic plan to reflect the use of data analysis and inclusive practices to more effectively advance racial equity and to respond to identified disparities with changes to the organization's mission, vision, goals, data tools, policies, programs, operations, community engagement, tribal consultation policies and practices, and any other actions as necessary to serve all Californians.
- b) As part of the development or updating of strategic plans, engage and gather input from California communities that have been historically disadvantaged and underserved within the scope of policies or programs administered or implemented by the agency or department and make the plans publicly available.

2) Provides every agency or department subject to the Governor's authority shall undertake a racial equity analysis before implementing any budget or before any regulation takes effect, by the agency's or department's diversity, equity, and inclusion officer or comparable position. If that position does not exist, the racial equity analysis shall be performed by an individual who has demonstrated expertise, and has demonstrated satisfaction of appropriate criteria, in at least one of the following areas:

- a) Analyzing, implementing, or developing public policies that impact racial equity.
- b) Providing technical assistance in developing and implementing strategies for racial equity, including, but not limited to, guidance on employee training and support, developing racial equity programming, and assisting organizations and departments on changing policies and practices to improve racial equity outcomes.
- c) Being a member of or representing a racial equity-focused organization that works with an impacted community.

EXISTING LAW:

1) Creates, within the Government Operations Agency, a Chief Equity Officer, who is appointed by, and serves at the pleasure of, the Governor. Requires the Chief Equity Officer to improve

equity and inclusion throughout state government operations and authorizes the Chief Equity Officer to engage with state entities for these purposes. (California Government Code § 12816.5)

2) Requires, under the State Government Strategic Planning and Performance Act (Act), each agency, department, office, or commission for which strategic planning efforts are recommended, as specified, to develop a strategic plan and to report to the Governor and the Joint Legislative Budget committee by April 1 each year on the steps being taken to develop and adopt a strategic plan.

3) Requires the report to include a description of the elements to be included in the strategic plan, the process for developing and adopting the strategic plan, and the timetable for the plan's completion.

4) Establishes, until January 1, 2030, the Racial Equity Commission within the Office of Planning and Research and requires the commission to develop resources, best practices, and tools for advancing racial equity by, among other things, developing a statewide Racial Equity Framework that includes methodologies and tools that can be employed to advance racial equity and address structural racism in California.

5) Establishes an Office of Health Equity, in the State Department of Public Health, for purposes of aligning state resources, decision-making, and programs to accomplish certain goals related to health equity and protecting vulnerable communities. (California Health and Safety Code § 13101)

6) Provides each agency, department, office, or commission that strategic planning efforts are recommended, as defined, shall develop a strategic plan and shall report to the Governor and to the Joint Legislative Budget Committee by April 1, 1995, and by each April 1 thereafter on the steps being taken to develop and adopt a strategic plan. This report shall include a description of the elements to be included in the strategic plan, the process for developing and adopting the strategic plan, and a timetable for the plan's completion. The report shall also identify the steps being taken to develop performance measures that could be used for a performance budgeting system or a performance review. (California Government Code § 11816)

7) Provides for several programs designed to boost the participation of underrepresented business in state government contracting, including small businesses and those owned by women, minorities and disabled veterans.

FISCAL EFFECT: This bill is keyed fiscal by Legislative Counsel.

COMMENTS:

Purpose of the bill. According to the author, "While the federal administration continues to scale back programs that support historically underserved communities, it is critical that the State Legislature step in to advance a more equitable and inclusive California. Building off Governor Newsom's Executive Order N-16-22, this bill provides a clear path forward by requiring state agencies and departments to embed equity into their strategic planning and budgeting processes. To ensure all Californians have the opportunity to thrive, we must build lasting infrastructure that facilitates fairer government outcomes and center the needs of our most impacted

communities in the design and delivery of the policies, regulations, and services that affect them.”

What problem does this bill solve? According to information provided by the author’s office, “Despite California’s steps to advance equity, the national conversation has been heavily walked-back. Numerous federal executive orders, such as EO 14151 and EO 14173, have halted equitable practices in multiple sectors. These practices are important to ensure that marginalized Californians get the resources needed to address disparities in California policy, which include but are not limited to health and economic outcomes.

For example, in 2021, American Indian and Alaska Native Californians experienced the highest rates of depression, suicide, and opioid overdose deaths. In 2024, Black and Latino households were 9–13% more likely to face food insecurity than the average household. And in 2021, Black Californians accounted for 26.6% of individuals served by homeless service providers despite representing only 5% of the state’s population.

Background.

In January 2025, President Donald J. Trump signed Federal Executive Order 14151, titled “Ending Radical and Wasteful Government DEI Programs and Preferencing,” along with Executive Order 14173, titled “Ending Illegal Discrimination and Restoring Merit-Based Opportunity.” These orders rescinded numerous executive actions from previous administrations, including some that had been in place for decades. Supporters of this bill believe that these orders have also rolled back DEI initiatives within the federal government and discouraged their use in the private sector, citing threats of Department of Justice investigations into employers that maintain DEIA programs. They contend that these actions underscore the need for state-level safeguards to ensure policies consider racial equity and do not inadvertently disadvantage underrepresented groups.

In 2022, Governor Gavin Newsom signed Executive Order N-16-22 (Equity in State Government) which directs state agencies to advance equity, diversity, and inclusion in government policies and programs. All state agencies must also create and implement Equity Action Plans.

A racial equity analysis, often conducted through a Racial Equity Impact Assessment (REIA), is a systematic examination of how different racial and ethnic groups are likely to be affected by proposed actions or decisions. The purpose of a REIA is to minimize unanticipated adverse consequences and ensure that policies, practices, and programs promote equity among all racial groups. This analysis is used in various contexts, including policymaking, institutional practices, and budgetary decisions.¹

Governor Newsom Executive Order. On September 13, 2022, Governor Newsom signed Executive Order N-16-22, directing state agencies and departments to enhance their efforts to embed equity analysis and considerations into their missions, policies, and practices. This initiative aims to expand opportunities for all by addressing disparities faced by historically underserved and marginalized communities. The Executive Order also established a Racial Equity Commission within the Governor’s Office of Planning & Research. Additionally, it

¹ https://www.raceforward.org/sites/default/files/RacialJusticeImpactAssessment_v5.pdf

highlighted equity across various areas, including state plans, policies, programs, public engagement, language access, data, workforce, procurement, infrastructure, as well as civil rights and anti-hate protections.

Specifically, in relation to this bill, the EO required "all agencies and departments subject to the Governor's authority shall, for any strategic plans applicable during the 2023-24, 2024-25, and/or 2025-26 fiscal years: a) develop or update the strategic plan to reflect the use of data analysis and inclusive practices to more effectively advance equity and to respond to identified disparities with changes to the organization's mission, vision, goals, data tools, policies, programs, operations, community engagement, tribal consultation policies and practices, and other actions as necessary to serve all Californians; and, b) as part of the development or updating of the strategic plans, engage and gather input from California communities that have been historically disadvantaged and underserved within the scope of policies or programs administered or implemented by the agency or department, and make the plans publicly available."

Additionally, the EO stated that The Civil Rights Department shall among various directives: "By February 1, 2023, review existing regulations implementing nondiscrimination protections in state programs and activities and initiate rulemaking as appropriate based on that review."

Racial Equity Commission. The Commission recommends best practices and opportunities to address racial equity and address inequities facing historically underserved and marginalized communities. The 11-member Commission also provides technical assistance to state and local governments to advance racial equity statewide. The EO additionally required the Commission to prepare an annual report, beginning on December 1, 2025, that summarizes feedback from public engagement with communities of color, provides data on racial inequities and disparities in the State, and recommends best practices on tools, methodologies, and opportunities to advance racial equity.

State Chief Equity Officer. In 2022, Governor Newsom appointed California's first State Chief Equity Officer at the Government Operations Agency for leadership as it relates to state operations, procurement, information technology and human resources. The Governor took action to embed equity within the state budget process led by the Department of Finance. Departments and agencies are now required to analyze equity considerations when making requests for new resources, including assessments of how proposed changes address inequities.

Increased focus by California state agencies. California state agencies and departments have increasingly prioritized diversity, equity, and inclusion in their strategic planning efforts. These initiatives aim to address systemic inequities, enhance community engagement, and foster inclusive work environments.

In June 2022, the California Department of Water Resources guided by the Capitol Collaborative on Race and Equity program crafted a comprehensive and sustainable Racial Equity Action Plan aimed at advancing an honest and critical assessment of its work and identifying racial inequities that exist within its programs, policies, and institutional culture. The plan outlines three desired outcomes that include: Workforce is Reflective of the People of California, Improve Community Engagement with Communities Most Impacted by Structural Racism, and Embed Racial Equity into Our Projects and Programs. The plan, "serves as the foundation for the work to be achieved,

sets the intentional and continual practice of changing policies, practices, systems, and structures that create meaningful change in the lives of all Californians.”²

The California Department of General Services emphasizes inclusive procurement, promoting diversity in state contracting and procurement processes. The department implements training programs to enhance DEI awareness among staff and ensures that state services are accessible and equitable for all Californians.

The California Department of Human Resources (CalHR) established the DEI Statewide Committee to provide leadership and education regarding all dimensions of diversity, equity, and inclusion within California state service. The committee promotes collaboration between various professions and organizations in state service, delivers continuous information on best practices, tools, and resources to help improve DEI, and fosters a workforce that reflects the state's diversity.

The California Department of Parks and Recreation has unveiled "Path Forward," a five-year strategic plan that aligns with the Governor's Equity Executive Order as well as the 30X30 and Outdoor Access for All initiatives. This plan prioritizes access, inclusivity, and equity, aiming to enhance public service, foster partnerships, and empower the department's workforce.

In support. The Public Health Advocates write, “This bill is critical piece of legislation that transforms the principle of equity from an aspiration into a mandate for California state government. As our state continues to grapple with the lasting impacts of the COVID-19 pandemic and faces an uncertain federal landscape hostile to diversity, equity, and inclusion, AB 1823 provides the necessary statutory backbone to ensure California remains a leader in building a government that serves all of its residents fairly. AB 1823 offers a systemic solution to a systemic issue. By statutorily requiring all state agencies and departments to incorporate equitable practices into their strategic plans and mandating a racial equity analysis before budgets or regulations are implemented, it accomplishes three essential goals: (1) creating accountability, (2) establishing lasting infrastructure, and (3) recognizing that equity benefits everyone. We cannot claim to be dedicated to equality while allowing systemic barriers to remain unaddressed in our governing processes. AB 1823 is a promise to the people of California that their government is serious about removing those barriers.”

Related legislation. SB 247 (Smallwood-Cuevas) of 2025. This bill would require state agencies, in awarding contracts in excess of \$35 million using funds from the federal Infrastructure Investment and Jobs Act, the Inflation Reduction Act of 2022, or the Creating Helpful Incentives to Produce Semiconductors for America Act and Science Act of 2022, to provide a bid preference up to 10%, depending on the number of total contract labor hours performed by individuals residing in a “distressed area” or “disadvantaged community.” (Held at Assembly desk)

SB 1114 (Cabaldon) of 2026. This bill would prohibit information pertaining to sexual orientation, gender identity, and variations in sex characteristics/intersex status (SOGISC) collected by state entities, as specified, from being disclosed in personally identifiable form to

² <https://resources.ca.gov/Home/News/Blog/2022/June-22/DWR-Recognizes-the-Need-for-a-Diverse-and-Equitable-Workplace?>

any entity outside of California state government, or a vendor contracted to provide services to the state, subject to certain exceptions, as specified. (Senate Committee on Privacy, Digital Technologies, and Consumer Protection)

Prior legislation. AB 766 (Sharp-Collins) of 2025. The bill would have required strategic plans that are required to be developed by each agency, department, office, or commission subject to the Governor's authority, to develop or update the strategic plan to reflect the use of data analysis and inclusive practices to more effectively advance racial equity and to respond to identified disparities with changes to the organization's policies, programs, and operations, as specified. (Vetoed by Governor)

AB 1511 (Santiago), Chapter 352, Statutes of 2024. Required state agencies that expend funds on marketing, advertising, or outreach to develop a plan for increasing expenditures directed to ethnic media outlets and community media outlets, as specified.

AB 437 (Jackson) of 2023. This bill would have required each state agency to consider the use of more inclusive practices to advance equity in the agency's mission, policies, and programs. (Held on the Senate Inactive File)

AB 1163 (L. Rivas), Chapter 832, Statutes of 2023. Expanded the list of state entities required to collect voluntary self-identification information on SOGISC to include the DSH, the DOR, DDS, and the DCSD.

AB 316 (Cooper), Chapter 312, Statutes of 2022. Required the CalHR to prepare and submit a report to appropriate committees of the Legislature, as provided, on gender and ethnicity pay equity in each classification under the Personnel Classification Plan where there is an underrepresentation of women and minorities, among other provisions.

AB 2448 (Ting), Chapter 315, Statutes of 2022. Directed the Department of Fair Employment and Housing to establish a pilot program that recognizes businesses for creating safe and welcoming environments free from discrimination and harassment of customers, and to establish criteria that a business must meet in order to qualify for recognition under the program.

SB 189 (Committee on Budget and Fiscal Review), Chapter 48, Statutes of 2022. Established the Chief Equity Officer at the Government Operations Agency, and specifies various duties of the officer.

REGISTERED SUPPORT / OPPOSITION:

Support

Asian Resources, Inc.

California State Council of Service Employees International Union (SEIU California)

Courage California

Disability Rights California

Justice in Aging

Nextgen California

Pacific Clinics

PolicyLink

Prevention Institute
Public Health Advocates
Special Needs Network, Inc.
State of Equity
The Los Angeles Trust for Children's Health
Western Center on Law & Poverty, Inc.

Opposition

None on file

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