Date of Hearing: April 29, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
AB 2095 (Lee) – As Introduced February 18, 2026

Policy Committee:	Labor and Employment	Vote:	5 - 2
	Judiciary		7 - 3

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill expands the scope of the Fair Chance Act (Act) and strengthens the burden of proof required to deny a job applicant a position, among other changes.

Specifically, this bill:

1) Makes it an unlawful employment practice for an employer with five or more employees to: (a) request consent for or begin a conviction history background check prior to providing the applicant with a list of the position's specific job duties with which a conviction may have a direct and adverse relationship, (b) require an applicant to cover the cost of a conviction history background check, or (c) require an applicant to self-disclose conviction history or provide the employer with documentary evidence related to conviction history or rehabilitation, and revises existing related prohibitions.

2) Revises the requirement that an employer that intends to deny an applicant a position must make an individualized assessment of whether the applicant's conviction history has a direct and adverse relationship with specific job duties to instead prohibit an employer from denying an applicant unless the assessment justifies the action, and requires the assessment to be written.

3) Establishes a rebuttable presumption that a job applicant's conviction history does not have a direct and adverse relationship with the position's duties if the applicant: (a) has completed a sentence for the conviction of the crime or (b) possesses a license, certificate, authorization, or similar credential from a governmental agency required for the position.

4) Requires an employer's notification to an applicant that the applicant's conviction history disqualifies the applicant from employment to explain the employer's reasoning for making that preliminary decision, including a copy of the results from the individualized assessment, and gives the applicant an additional five days to contest factual information about the conviction history that is the basis for the preliminary decision.

5) Requires an employer to conduct a new individualized assessment after considering all information submitted by an applicant in response to the disqualification notice and requires an employer that makes a final denial decision to provide a copy of the second individualized assessment to the applicant.

6) Provides that an employer exempt from the Act because other state, federal, or local laws require a criminal background check for the position must provide certain information about the Act to the applicant and repeals the existing exemption of farm labor contractors from the Act.

7) Defines an "applicant" to mean an individual seeking initial work, continued work, transfer, or promotion and provides that the Act extends to other adverse actions an employer may take against an applicant.

FISCAL EFFECT:

1) Costs of an unknown, but potentially significant amount, in excess of $150,000, to the state as an employer to comply with expanded Act requirements (General Fund (GF) or special fund). The magnitude of costs depends on how many applicants have a conviction history and how similar the state's existing practices regarding individualized assessments are to this bill's requirements.

   Similarly, potentially significant costs to local government employers, which the state would not need to reimburse because this bill's new requirements for local agencies equally apply to the private sector.

2) Ongoing costs of an unknown amount, likely in the hundreds of thousands of dollars annually, to the Civil Rights Department (CRD) for additional staff positions to investigate, mediate, and litigate new complaints alleging a violation of the Act (GF). Additionally, CRD estimates costs of approximately $10,000 to update CRD's interactive guide for the Act and workload costs to promulgate new regulations.

3) By expanding what constitutes an unlawful employment practice enforceable by CRD, this bill may result in new civil actions filed by CRD against an employer, thus increasing cost pressures of an unknown amount to the state court system (Trial Court Trust Fund). However, the magnitude of such actions is likely small, as CRD has an extensive process to attempt to resolve complaints prior to bringing a civil action.

The Legislative Analyst's Office recently warned of GF structural deficits of around $35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

1) **Purpose.** The author contends that this bill "clarifies and bolsters the Fair Chance Act protections so that people who have turned their lives around have the opportunity to be gainfully employed, provide for their families, and contribute to their communities." The author explains:

> However, many employers violate or circumvent the Fair Chance Act requirements, failing to delay background checks, ensure job-related justification for adverse decisions, and disregarded sealed or expunged records. Additionally, shortcomings in the current law limit enforceability, leaving applicants unable to prove that their rights have been violated.

2) **Fair Chance Act.** Under FEHA, the Act (AB 1008 (McCarty), Chapter 789, Statutes of 2017), makes it an unlawful employment practice for an employer with five or more employees to ask questions about an applicant's conviction history before making a conditional offer of employment. If an employer intends to deny an applicant a position of employment because of the applicant's conviction history, the employer must justify the decision by making an individualized assessment of whether the history has a direct and adverse relationship with the specific duties of the job. The employer must provide an applicant with written notice of the denial and give the applicant five business days to respond to the notice before making a final decision regarding employment. If the applicant disputes the accuracy of the conviction history that is the basis of the preliminary decision, the applicant has an additional five business days to respond to the notice.

   This bill significantly modifies the individualized assessment process by creating a rebuttable presumption that the relationship between job duties and the applicant's conviction history is not sufficiently direct to justify denying the applicant if the applicant (a) has completed a sentence for the conviction of the crime or (b) possesses a license, certificate, or similar credential from a governmental agency required for the position. This bill also requires an employer to better document and explain the reasoning behind a preliminary decision to deny an applicant, gives the applicant more time to contest the preliminary decision, and extends Act protections to an adverse action against a current employee with a conviction history, among other changes.

3) **Support and Opposition.** This bill is supported by a large coalition of workers rights and social justice groups, led by the California Coalition for Worker Power, which argues, "By better enforcing the California Fair Chance Act and closing various loopholes, AB 2095 will help California reduce recidivism and ensure that formerly incarcerated people and those with conviction records are better able to find work and get hired."

   This bill is opposed by a coalition of employer organizations, led by the California Chamber of Commerce, which argues, "AB 2095 creates additional ambiguity and litigation risk for employers attempting to comply with an already complex statutory framework governing the use of conviction history in employment decisions."

4) **Related Legislation.** AB 2064 (Sharp-Collins) adds "criminal history" to the list of protected characteristics under FEHA and the Unruh Civil Rights Act. AB 2064 is pending hearing by this committee.

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