

CONCURRENCE IN SENATE AMENDMENTS

AB 374 (Nguyen)

As Amended August 29, 2025

Majority vote

SUMMARY

Requires, similar to the Labor Code as applicable to private sector employers, public school employers, as defined, to provide classified school employees certain information regarding their wages at the time of each payment, and as a detachable part of the check, among other provisions.

Senate Amendments

- 1) Delay implementation to the beginning of the 2026-27 school year, and clarify that certain leave may be reported separately on a supplemental itemized statement, provided that the frequency is the same as the statement of wages.
- 2) Make other technical and clarifying changes.

COMMENTS

While the Labor Code establishes certain standards regarding information provided to employees as part of their paycheck, the Education Code is devoid of such explicit standards, which has resulted in variation, and substantial variation in some instances, among the multitude of school districts throughout the state in providing the same type of information to classified school employees.

Similarly modeled after Section 226 (*id.*), this bill proposes to standardize throughout the state, information reported to TK-14 classified school employees via their paychecks that would increasingly inform these employees – many of whom are employed part-time – as to other important matters directly related to their employment at the time of wage payment.

Please see the various policy committee analyses for a full discussion of this bill.

According to the Author

"[Over 250,000] classified employees... have been denied basic rights around transparency in their wages. There is no consistent standard about what information must be provided on our members' pay stubs, which creates a meaningful inequity between public and private sector employees. In material terms, it makes it unnecessarily difficult for classified employees to determine if they have been paid appropriately for holidays, out of class work, paid leaves, and even overtime. Even when this information is requested by [a classified employee], or [their] exclusive representative, districts are often slow and inaccurate in the information that they provide. This has resulted in multiple pay discrepancy cases [... that] drag out for years longer than necessary. This bill would empower individual employees and their unions to better track employee pay, including [California Public Employees' Retirement System] contributions, so that issues can be addressed in a timely manner."

Arguments in Support

Generally, supporters of this bill state that because classified employees are hourly workers who often work out of class and are paid at different rates throughout the month, this bill will help

them track their pay where having accurate information about their rate of pay is critical. Further, by providing a clear standard for paystub information, similarly to private sector employers that are required to do so under Section 226 of the Labor Code, such information will be helpful to employer and classified employee to expeditiously resolve wage issues.

Arguments in Opposition

Generally, opponents of this bill articulate several concerns regarding this bill. Namely, they contend that: i) there are better formats than a detachable paystub such as a printed summary of benefit balances, and access to an employee portal; ii) calculating leave time could delay paychecks as this which does not take into account long-standing payroll practices to ensure timely paycheck distribution where accounting for time is in arrears; iii) because this bill requires a new service, it adds new costs; and, iv) there is a lack of pervasiveness that necessitates statewide changes proposed by this bill.

FISCAL COMMENTS

According to the Senate Committee on Appropriations, by requiring affected public school employers to provide specified information to employees at the time of wage payment, this bill potentially 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 on local agencies, local agencies could claim reimbursement of those costs. The magnitude is unknown (General Fund).

VOTES:

ASM PUBLIC EMPLOYMENT AND RETIREMENT: 6-0-1

YES: McKinnor, Alanis, Boerner, Elhawary, Garcia, Nguyen

ABS, ABST OR NV: Lackey

ASM HIGHER EDUCATION: 8-0-2

YES: Fong, DeMaio, Boerner, Jeff Gonzalez, Jackson, Muratsuchi, Patel, Celeste Rodriguez

ABS, ABST OR NV: Sharp-Collins, Tangipa

ASSEMBLY FLOOR: 73-0-6

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

ABS, ABST OR NV: Arambula, Boerner, Jeff Gonzalez, Irwin, Celeste Rodriguez, Tangipa

UPDATED

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