
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 1032 (Reyes) - Staffing agencies: registration

Version: April 23, 2026

Policy Vote: L., P.E. & R. 3 - 1, JUD. 11 -
2

Urgency: No

Mandate: Yes

Hearing Date: May 14, 2026

Consultant: Robert Ingenito

Bill Summary: SB 1032 would make specified changes to current law pertaining to staffing agencies, as provided.

***** **ANALYSIS ADDENDUM – SUSPENSE FILE** *****

The following information is revised to reflect amendments
adopted by the committee on May 14, 2026

Fiscal Impact:

- The Department of Industrial Relations (DIR) LCO is still reviewing the bill but expects that costs will exceed \$300,000 annually for staff (enforcement deputies, support, and supervisory staff) and IT (implementation of a new registration system for staffing agencies) to enforce the bill's requirements.
- This bill could result in an increased number of civil actions. Consequently, the bill could result in potentially significant cost pressures to the courts; the magnitude is unknown (Trial Court Trust Fund (TCTF)). The specific number of new actions that could be filed under the bill also is unknown; however, it generally costs about \$10,500 per day to operate a courtroom. Courts are not funded on the basis of workload, and increased pressure on TCTF may create a need for increased funding for courts from the General Fund. The proposed 2026-27 budget includes \$70 million in ongoing support from the General Fund to continue to backfill TCTF for revenue declines.

Author Amendments: Provide the following regarding the definition of “staffing agency:”

- “Staffing agency” means a “temporary services employer,” as defined in subdivision (a) of Section 201.3, or a “labor contractor,” as defined in paragraph (3) of subdivision (a) of Section 2810.3, as well as any individual, partnership, corporation, limited liability company, association, or other business entity that, for a fee or other consideration, directly or indirectly recruits, hires, employs, assigns, refers, places, furnishes, or supplies one or more workers to perform labor or services for the benefit of, or under the direction of, a third-party business or worksite employer, whether on a temporary, seasonal, leased, project-based, or ongoing basis, and which is not already defined and regulated under other sections of this (Labor) code.

- “Staffing agency” does not include any entity excluded from the definition of “labor contractor” pursuant to subparagraphs (A) to (D), inclusive, of paragraph (3) of subdivision (a) of Section 2810.3

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