

Date of Hearing: June 24, 2026

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT

Liz Ortega, Chair

SB 1054 (Cabaldon) – As Amended June 18, 2026

SENATE VOTE: 38-0

SUBJECT: Unemployment insurance: reporting requirements

SUMMARY: Requires, beginning July 1, 2027, specified employers and other entities to include in their report of wages, information about total monthly wage, industry, occupation, worker type, and hours worked for each employee, as specified; requires this information to be submitted on a monthly basis; and requires the EDD to share this information with various state entities for specified objectives. Specifically, **this bill**:

- 1) Requires the EDD to work with employers to enhance the reporting of employment and earning data by employers, consistent with federal law and regulations.
 - a) Requires the EDD, where feasible, to minimize employer reporting burdens by aligning and streamlining definitions and requirements for the report of wages, deploying user-friendly application programming interfaces, and implementing other means to simplify reporting processes.
- 2) Requires, beginning July 1, 2027, every employer with 10 or more employees and every individual or organization that, as an agent, reports wages on behalf of one or more employers with 10 or more employees, to include in their report of wages information on total monthly wage, industry, occupation, worker type, and hours worked for each employee, in a format approved by the EDD.
 - a) Requires the information reported to be filed electronically at least monthly, as specified.
- 3) Requires the EDD, on or before July 1, 2027, to adopt and develop appropriate procedures for the sharing of hours worked and other necessary employment data, as specified.
- 4) Requires the EDD to work with the California Statewide Automated Welfare System (CalSAWS) to develop and implement the necessary system changes to implement the data sharing process to verify hours worked.
- 5) Requires the EDD to work with the Office of the California Education Interagency Council related to the collection of employment data, as specified, to support the council's purposes (see (11) below in existing law).
- 6) Requires the EDD to work with the California Workforce Development Board (CWDB) and the Labor and Workforce Development Agency (LWDA) to implement workforce program reporting requirements, as specified. (See (6) below in existing law.)
- 7) Authorizes the EDD to work with the Office of Cradle-to-Career Data to support existing state data systems, dashboards, and reports related to the collection of employment data, as specified.

- 8) Requires the EDD to use existing federal and state grant funds to the extent available.
- 9) Requires the EDD to implement the above provisions on or before July 1, 2027, except that the EDD must begin the data sharing process to verify hours worked on January 1, 2028, or when the EDD notifies the Legislature that CalSAWS can perform the necessary automation to implement the data sharing process, whichever is later.
- 10) Permits the use of any information in the EDD Director's possession, on or before January 1, 2028, for the following purposes:
 - a) To enable the State Department of Social Services (DSS) and the Department of Health Care Services (DHCS) to access, to the extent permitted by federal laws and regulations, hours worked and other necessary employment data to support employment-related verifications for initial eligibility for, and ongoing receipt of, public benefits, including, but not limited to, benefits pursuant to the Medi-Cal program and the CalFresh program.
 - i) Requires the EDD, in implementing (a) to consult with the DSS, the DHCS, and stakeholders, including, but not limited to, the Office of Cradle-to-Career Data, the County Welfare Directors Association of California, and CalSAWS.
 - b) To enable the Office of the California Education Interagency Council to access, to the extent permitted by federal laws and regulations, any relevant wage data necessary to support the council's purposes (see (11) below in existing law).
- 11) Defines the following terms:
 - a) "Hours worked" to mean the total hours worked by each worker each month. The employer may report 40 hours worked for each week any duties were performed by a full-time employee and shall report hours paid or a reasonable estimate of the hours worked for each week duties were performed by a part-time employee.
 - b) "Occupation" to mean an occupation listed in the United States Bureau of Labor Statistics' Standard Occupational Classification system or the job title of each worker.
 - c) "Worker type" to mean the salaried or hourly, and full-time, part-time, intern, or apprentice status of each worker.
- 12) Provides that the bill is known as Better Data, Better Coverage, Better California Act.
- 13) States the intent of the Legislature to require the EDD to collect hours worked and occupational classification as part of employer wage reporting, in a manner that minimizes employer burden, improves data quality, and maximizes cross-program value for California's education, workforce, and safety net systems.
- 14) Makes findings and declarations.

EXISTING LAW:

- 1) Establishes the EDD within the LWDA and tasks it with, among other duties, the administration of the Unemployment Insurance (UI) and Disability Insurance (DI) programs. Unemployment Insurance Code § 301.

- 2) Establishes the UI program as a joint state/federal program, administered by the EDD that provides weekly UI payments for workers who lose their job through no fault of their own. Eligibility for benefits requires that the claimant be able to work, available for work, be seeking work, and be willing to accept a suitable job. Unemployment Insurance Code §§ 100-144, 301-456.
- 3) Requires, among other things, an employer to electronically file a report of contributions, a quarterly return, and a report of wages paid to the employer's workers, as specified. Unemployment Insurance Code § 1088.
- 4) Requires, in addition to information reported pursuant to (3) above, an employer to submit information on new employees, and among other things, a report containing the following:
 - a) The name, address, and social security number of the employees.
 - b) The employer's name, address, state employer identification number (if one has been issued), and identifying number assigned to the employer under Section 61095 of the Internal Revenue Code of 1986.
 - c) The first date the employee worked. Unemployment Insurance Code § 1088.5.
- 5) Requires the EDD Director to permit the use of any information, such as wage and employment data, in the director's possession to the extent necessary for specified purposes and under specified conditions. Unemployment Insurance Code § 1095.
- 6) Requires that the state's workforce system operate in a manner that is data driven and evidence based when setting priorities, investing resources, and adopting practices. Unemployment Insurance Code §14000(b)(3).
- 7) Requires that the state's workforce system be outcome oriented and accountable, by measuring results for program participants, including outcomes related to program completion, employment, and earnings. Unemployment Insurance Code § 14000(b)(5).
- 8) Establishes the CWDB as the body responsible for assisting the Governor in the development, oversight, and continuous improvement of the workforce system. Unemployment Insurance Code § 14010.
- 9) Requires the CWDB to develop a workforce metrics dashboard that measures the state's human capital investments in workforce development to understand the impact of these investments on the labor market. The workforce metrics dashboard is required to do the following:
 - a) Provide a status report on credential attainment, training completion, degree attainment, and participant earnings from workforce education and training programs.
 - b) Provide demographic breakdowns, including, to the extent possible, race, ethnicity, age, gender, veteran status, wage and credential or degree outcomes, and information on workforce outcomes in different industry sectors.
 - c) Measure the performance of the following workforce programs: community college career technical education, the Employment Training Panel, Title I and Title II of the

federal Workforce Investment Act of 1998 (Public Law 105-220), Title I and Title II of the federal Workforce Innovation and Opportunity Act (WIOA) of 2014 (Public Law 113-128), Trade Adjustment Assistance, and state apprenticeship programs.

- d) Measure participant earnings in California, and to the extent feasible, in other states. Unemployment Insurance Code § 14013(i).
- 10) Requires the EDD and the CWDB to work collaboratively to measure and report on training-related job placement outcomes for individuals receiving job training services provided through the workforce system. Unemployment Insurance Code § 14017.1.
- 11) Establishes the Office of the California Education Interagency Council within the Government Operations Agency for the purpose of accomplishing the following goals:
- a) Proactively evaluating and addressing the changing nature of work and the economy, and supporting the advancement of state educational attainment, equity, and workforce goals.
 - b) Integrating and aligning efforts across elementary and secondary education, postsecondary education, employers, and the statewide workforce system, and maximizing the impact of federal and state funding investments to ensure effective student pathways to quality work and well-paying careers and to contribute to economic growth.
 - c) Increasing collaboration across postsecondary education and the workforce development systems statewide, and with employers to ensure flexibility and support for meeting the skill-building and upskilling needs of adults.
 - d) Working in regions throughout the state to ensure that education supply and statewide workforce demand are aligned.
 - e) Being a forum for communication to discuss the impacts of proposed intersegmental and cross-sector issues, including, but not limited to, changes to elementary, secondary, and postsecondary education graduation requirements, including California State University and University of California admissions changes. Government Code § 11900 et seq.
- 12) Establishes the California Cradle-to-Career Data System to be a source for actionable data and research on education, economic, and health outcomes for individuals, families, and communities, and provide for expanded access to tools and services that support the navigation of the education-to-employment pipeline. Establishes the Office of Cradle-to-Career Data within the Government Operations Agency as the managing entity for the Cradle-to-Career Data System. Education Code § 10860 et seq.

FISCAL EFFECT: According to the Senate Appropriations Committee:

- The bill's administrative costs to the Employment Development Department (EDD) have yet to be identified but would likely reach the low tens of millions of dollars minimally (See Staff Comments regarding funding source).

- The Department of Social Services (DSS) indicates that it would incur one-time costs of up to \$600,000, and ongoing costs of \$435,000 to implement the provisions of the bill. (General Fund).
- The Office of Cradle to Career Data (C2) indicates that it would incur ongoing costs of \$373,000 to collaborate with EDD and accommodate the bill's increased data frequency (General Fund).
- Costs to the Department of Health Care Services (DHCS) and the Education Interagency Council (EIC) have yet to be determined, but combined would likely, at a minimum, reach the hundreds of thousands of dollars (General Fund).

Staff comments regarding funding source: As noted above, the bill would require EDD to perform its workload using federal and state grant funds to the extent available. The General Fund would be likely be required to make up any shortfall.

COMMENTS:

EDD quarterly wage reporting and the base wage file:

Employers of all sizes are required to file with the EDD a quarterly report with information about total wages paid, taxes withheld, and employer contributions for the quarter. According to the EDD, approximately 1.6 million employers report 22.5 million wage lines per quarter on behalf of approximately 18.5 million California wage earners.

This information becomes part of what is known as the “base wage file,” which the EDD maintains and uses in its administration of the UI, DI, and Paid Family Leave (PFL) benefit programs, as well as for tax administration and regulatory compliance. The base wage file includes employee first and last name, social security number, total subject wages, wage plan code, total personal income tax (PIT) wages, and total PIT withheld of each employee in California, recorded separately for each employer on a quarterly basis. Base wage file data is stored securely by the EDD to protect confidentiality, and the EDD shares the data only with specified state agencies and for specific allowable purposes through Unemployment Insurance Code Section 1095.

This bill would authorize the EDD Director to share this information with additional entities and for additional purposes (see above for the bill provisions).

SB 755 (Roth, Chapter 815, Statutes of 2022) Report¹:

The base wage file is also a key source of data used to evaluate performance outcomes of state and federal workforce programs, as it contains employment and earnings data before and after enrollment in workforce programs.

In 2022, SB 755 (Roth) was signed into law, requiring the EDD and the CWDB to collaborate to create a plan for measuring, analyzing, and reporting on employment and earnings outcomes for

¹ https://edd.ca.gov/siteassets/files/about_edd/sb-755-report---expanding-workforce-performance-analysis-and-employer-quarterly-wage-reports.pdf

individuals who received job training services through specific programs, including the WIOA Title 1 managed by the EDD and all programs managed by the CWDB.

One of the recommendations in the report is for the state to expand base wage file data collection to include hours worked, region, and occupation. This additional information was recommended because employers currently only report quarterly employee earnings. Without information about hours worked, it is difficult to determine an hourly wage to understand how earnings vary. Furthermore, without geographical information, it is not possible to determine if the wages are considered a living wage in the region. Additionally, it is not feasible to determine if job training program participants are placed in a ‘training-related job’ because there is no data related to occupation in the base wage file.

SB 1054 aims to implement some of those recommendations by requiring employers to additionally include in their quarterly report to the EDD information on total monthly wage and hours worked, industry, occupation, and worker type (salaried or hourly, and full-time, part-time, intern, or apprentice, status) for each employee.

Committee Comments:

As written, this bill requires the new information to be included in the existing quarterly report of wages, but also to be submitted electronically on a monthly basis. These timelines seem to be in conflict with each other, unless the intent is to have the entire quarterly wage information now be reported on a monthly basis. If so, this would require amending Unemployment Insurance Code Section 1088 to specify that employers must submit the required information on a monthly basis rather than quarterly.

Furthermore, the additional information required to be submitted pursuant to this bill is only required for employers with 10 or more employees, whereas the existing quarterly report is required for all employers. This could also create confusion or conflict with the existing system, as the information that the EDD would be receiving from employers with 10 or more employees would be different and at a different frequency than that of employers with fewer than 10 employees.

Lastly, as noted above, the SB 755 report recommended the base wage file additionally collecting from employers regional information about employees. Given that the bill would implement the other two pieces of information recommended (hours worked and occupational information), the author may wish to consider including the recommended regional information.

According to the author: “The current wage file collected by EDD only includes quarterly earnings and employer ID numbers. As H.R. 1 threatens to reduce Californians’ benefit access, the need to collect employees’ hours worked is critical to ensure that California residents do not lose access to their Medicaid and SNAP benefits. As of now, the State relies on a shared-services access contract with Equifax where they provide employment and income data to the Department of General Services at an exorbitant cost to verify eligibility.

Additionally, California will soon require more precise data on labor market outcomes to administer the new Workforce Pell program and enable the California Education Interagency Council to conduct analyses that support planning efforts to better align education pathways with workforce outcomes in sectors critical to California’s economy. A lack of data on employee’s occupation will inhibit these efforts.”

Committee Comment: The author argues that SB 1054 would also help position California for successful Workforce Pell implementation. However, as noted above, there must be explicit authorization in statute for the EDD to share information in the base wage file with another state entity. As written, this bill does not include such authorization for the Workforce Pell Grant program.

Arguments in Support

California Competes, CA EDGE Coalition, and UNITE-LA, co-sponsors of this measure, write that “The bill’s proposed data collection will improve coordination and planning across existing investments in education and training, support access to federal grant aid for students enrolled in short-term programs, and help minimize benefit loss stemming from administrative burden due to new federal work requirements. SB 1054 strengthens California’s ability to evaluate whether skills training and education programs lead to successful employment outcomes. Current data collection captures quarterly earnings and employer identifiers, but not the hours worked or job type metrics that are essential for understanding job quality or the occupation metric needed to assess program-to-employment results. This limits the state’s ability to plan strategically for workforce needs and align education investments with good jobs.”

Arguments in Opposition

The City of La Verne writes that “this approach places a substantial and ongoing administrative burden on employers to solve a state-level data deficiency. Employers would be required to implement new tracking systems, report more frequently, and provide detailed employee-level data, all while the State expands data sharing across multiple agencies and programs. This represents an overreach that shifts responsibility away from the State and onto employers without sufficient safeguards or funding. Additionally, the bill dramatically expands the collection and distribution of sensitive employment data, increasing the risk of data misuse, security vulnerabilities, and unintended consequences for workers. While intended to streamline eligibility verification, the scale of data collection and interagency access raises serious concerns about privacy and long-term data management.”

Prior and Related Legislation

AB 1098 (Fong), Chapter 446, Statutes of 2025, established the California Education Interagency Council within the Government Operations Agency to align education and workforce systems, support adult skill development, and address the changing nature of work and the economy.

SB 638 (Padilla), Chapter 457, Statutes of 2025, revised the California Career Technical Education Incentive Grant (CTEIG) Program and required the Department of Education to consult with the California Education Interagency Council when developing and awarding CTEIG grants, ensuring that program standards and priorities are informed by a cross-sector perspective. SB 638 also charged the Council with advisory responsibilities related to career technical education, career pathways, and workforce development.

SB 755 (Roth), Chapter 815, Statutes of 2022, required the EDD to work with the CWDB to measure and report specified information regarding aggregate labor market outcomes of individuals receiving training services through the workforce system. This bill required, among other things, that the board and department create a plan to use existing data to match relevant

employee occupational data, employee place of employment data, and employee hours worked data, to persons who enroll in job training services, and to outline various objectives. Required the board and department, upon appropriation by the Legislature, to implement the plan, and within 2 years of the appropriation, to summarize and provide an initial report of their findings to specified committees of the Legislature.

SB 753 (Roth), Chapter 550, Statutes of 2021, required, among other things, the EDD Director to permit the use of specified wage data with the CWDB in order to assist the board in its obligation to evaluate program outcomes for the grant programs it administers.

AB 1245 (Cooley), Chapter 222, Statutes of 2016, required employers with 10 or more employees to file all reports and returns, and remit all contributions for unemployment insurance premiums to the EDD electronically, as specified. Extended the application of these electronic filing requirements to all employers beginning on January 1, 2018.

AB 2148 (Mullin), Chapter 385, Statutes of 2014, required the California Workforce Investment Board (now known as the CWDB) to assist the Governor in the development of an annual workforce metrics dashboard to measure investment in workforce development, as specified.

REGISTERED SUPPORT / OPPOSITION:

Support

California Competes: Higher Education for a Strong Economy (Co-Sponsor)
California Edge Coalition (Co-Sponsor)
UNITE-LA (Co-Sponsor)
Bay Area Council
California In-Home Supportive Services Consumer Alliance
CEO Leadership Alliance Orange County
National Talent Collaborative
Orange County United Way
University of California Student Association
Yolo County Commission on Aging and Adult Services
Yolo County In-Home Supportive Services Advisory Committee

Opposition

City of LA Verne

Other

Los Angeles Chamber of Commerce

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