

**(Without Reference to File)**

## SENATE THIRD READING

SB 171 (Committee on Budget and Fiscal Review)

As Amended June 26, 2026

Majority vote Budget Bill Appropriations Take Effect Immediately

**SUMMARY**

This Labor trailer bill contains the necessary changes to implement provisions adopted as part of the Budget Act of 2026.

**Major Provisions**

This bill makes various statutory changes to implement the Labor provisions of the Budget Act of 2026. Specifically, this bill does the following:

- 1) *Division of Worker's Compensation Administrative Director Salary Amendment*: Removes the salary cap for the Administrative Director of the Division of Workers' Compensation (DWC) within DIR. Which is intended to establish parity among leadership in the compensation structures for the DWC and Department of Industrial Relations (DIR), and to support future recruitment and retention.
- 2) *Proposition 2 Supplemental Pension Payment*: Authorizes Proposition 2 supplemental pension payments from the general fund to be applied to the state unfunded liabilities to supplement the state's appropriation to the Public Employees' Retirement Fund.
- 3) *Assessment Payment Via Electronic Funds Transfer*: Authorizes DIR to require payment of the annual employer assessment by electronic funds transfer (EFT).
- 4) *Subsequent Injuries Benefits Trust Fund Reforms*: Makes changes to the Subsequent Injury Benefits Trust Fund (SIBTF) program to better align program requirements with the existing workers' compensation benefit program. Statutory changes specify the circumstances under which the above program changes do not apply.
- 5) *Workers' Compensation Appeals Board – Remove Sunset for Appeal Timeline Provisions*: Repeals the sunset date and make permanent a change to Labor Code 5909 provisions governing how the Workers Compensation Appeals Board's (WCAB) time to act on petitions for reconsideration is calculated.
- 6) *Streamlining Reporting Requirements*: Aligns reporting requirement timelines relating to various grant programs, to streamline the process for the California Workforce Development Board.

**COMMENTS**

This trailer bill contains the necessary changes to implement provisions adopted as part of the Budget Act of 2026.

**According to the Author**

None on file.

**Arguments in Support**

None on file.

**Arguments in Opposition**

None on file.

**FISCAL COMMENTS**

This bill would require the appropriation of \$1,000,000 from the General Fund to the Department of Finance for administrative cost to implement the Fair Share from Big Corporations Act as enacted by AB 177 or SB 177, thereby making an appropriation.

**VOTES**

**SENATE FLOOR: 28-10-2**

**YES:** Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

**NO:** Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

**ABS, ABST OR NV:** Reyes, Stern

**UPDATED**

VERSION: June 26, 2026

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