

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 464 (Smallwood-Cuevas) – As Amended July 10, 2025

Policy Committee:	Labor and Employment	Vote:	7 - 0
	Judiciary		10 - 2

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

SUMMARY:

This bill requires the state to submit an annual pay data report containing specified demographic data of state civil service employees to the Civil Rights Department (CRD).

This bill also modifies the existing pay data reporting requirement for a private employer with 100 or more employees by requiring such information be collected and stored separately from employee personnel records and requiring, instead of authorizing, a court to impose a civil penalty for failure to file upon CRD's request.

FISCAL EFFECT:

- 1) Costs of approximately \$790,000 in fiscal year (FY) 2026-27 and \$781,000 in FY 2027-28 and annually thereafter to CRD to process an additional report covering 220,000 state civil service employees (General Fund (GF)). CRD anticipates using \$100,000 to secure an ongoing data services contract, with the remaining funds needed for three additional positions, including two attorneys and a researcher.

Unlike existing law regarding pay data reporting for private employers, this bill does not explicitly authorize CRD to publish aggregate reports based on state employee pay data. CRD would require additional resources for information technology, program staff, and other administrative costs if CRD is expected to publish a report with state employee pay data.

- 2) Costs of an unknown amount, potentially in the hundreds of thousands of dollars annually, to the California Department of Human Resources (CalHR) to submit an annual pay data report (GF).
- 3) Cost pressures (GF or Trial Court Trust Fund) of an unknown, but likely minor amount, to the courts in additional workload by requiring, instead of authorizing, a court to impose specified civil penalties.

COMMENTS:

- 1) **Purpose.** According to the author:

In June of 2023, the Task Force to study and develop Reparation Proposals for African Americans issued its final report to the California Legislature and proposed comprehensive reparations plan

pursuant to AB 3121 (2020). As part of the Task Force's policy proposals to address the long lasting implications of stolen labor (Chapter 20 and Chapter 27), the Task Force called upon the legislature to adopt policies to enhance pay equity data reporting. SB 464 furthers the recommendations of the Task Force's report by expanding reporting requirements to specified public employers. This bill is part of the 2025 California Legislative Black Caucus Road to Repair Package.

- 2) **Background. *Private Pay Data Reports.*** SB 973 (Jackson), Chapter 363, Statutes of 2020, required an employer with over 100 employees already filing a federal EEO-1 Report to submit an annual pay data report to CRD, which CRD may publicize in the aggregate to shed light on any workplace pay disparities based on race, ethnicity and sex. SB 1162 (Limon), Chapter 559, Statutes of 2022, expanded SB 973's reporting requirements to include all private employers with over 100 employees, as well as a separate report if the private employer has over 100 employees hired through labor contractors. This bill requires a private employer to collect and store pay data separately from employee personnel records and requires, upon CRD's request, a court to impose a civil penalty against an employer that fails to file a report.

Existing State Employee Demographic Reports. The California Constitution provides that the civil service includes every officer and employee of the state, with certain personnel exempt from civil service, such as employees of the Legislature or courts, select employees of an elected officer, and officers directly appointed by the Governor. Existing law requires the state to collect or report certain civil service employee demographic information related to ethnicity, race, disability, veteran status, and gender, as follows:

- (a) Government Code Section 8310.6 requires, to the extent possible, the State Controller's Office and CalHR to collect and report information on Black or African American persons hired for state positions that reflects whether they are a descendent of an enslaved person in the United States or a descendent of another demographic.
- (b) Government Code Section 11019.12 requires certain state agencies to provide an opportunity for applicants to self-report veteran status or affiliation.
- (c) Government Code Section 19233 requires CalHR to survey the number of state employees with a disability in each state agency, including job category and salary range.
- (d) Government Code Section 19704 authorizes the post-hire collection of a state employee's ethnic, marital status, and gender data for research and statistical purposes.
- (e) Government Code Section 19792 requires CalHR to maintain data to determine equal employment opportunity within state civil service, including data to determine the underutilization of groups based on race, ethnicity, gender, disability, and veteran status, analyzed by job classifications, locations, separations, salaries, and other conditions of employment.

- (f) Government Code Section 19799 requires a state agency conducting a demographic survey of employees to use separate collection categories for each major Asian and Pacific Islander group.

This bill requires, beginning May 2027, a state civil service employer with 100 or more state civil service employees to submit an annual pay data report covering the prior calendar year to CRD. The report must include the demographic data provided by employees pursuant to the above-described code sections organized by job category as listed in the civil service pay scale. However, unlike the pay data reports submitted by private employers, this bill does not authorize CRD to subsequently publish a public-facing report analyzing state employee pay data, nor does this bill authorize CRD to seek an order requiring employer compliance if CRD does not receive the report, among other differences.

- 3) **Support and Opposition.** This bill is supported by civil rights groups, the California Employment Lawyers Association, and the California Commission on the Status of Women and Girls, with the latter arguing, “With recent threats to DEI programs in both the private and public sector, it is more important than ever to ensure that data is available to the public to ensure accountability to pay equity in the absence of robust enforcement of these crucial programs.”

This bill is opposed by construction employer associations and the Valley Industry and Commerce Association, with the latter arguing “this bill goes beyond the appropriate scope of government-mandated reporting and introduces significant administrative, legal, and privacy concerns.” However, opponents’ arguments against this bill’s specific provisions appear to reflect a previous version of this bill.

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