

SENATE THIRD READING
SB 464 (Smallwood-Cuevas)
As Amended September 02, 2025
Majority vote

SUMMARY

Requires a public employer, as defined, that has 100 or more employees to, on or before the second Wednesday of May 2027, and on or before the second Wednesday of May of each year thereafter, submit a pay data report with demographic information regarding an employee's ethnicity, race, disability, veteran status, and gender to the Civil Rights Department (CRD) covering the prior calendar year.

Major Provisions

- 1) Adds to existing private employer pay data obligations the requirement that any demographic information gathered by an employer or labor contractor shall be collected and stored separately from employees' personnel records.
- 2) Replaces, beginning January 1, 2027, the 10 job categories for pay data reporting with the following:
 - a. Executive and senior level officials and managers
 - b. First or mid-level officials and managers
 - c. Business and financial operations occupations
 - d. Computer and mathematical occupations
 - e. Architecture and engineering occupations
 - f. Life, physical, and social science occupations
 - g. Community and social service occupations
 - h. Legal occupations
 - i. Educational instruction and library occupations
 - j. Arts, design, entertainment, sports, and media occupations
 - k. Health care practitioners and technical occupations
 - l. Health care support occupations
 - m. Protective service occupations
 - n. Food preparation and serving-related occupations
 - o. Building and grounds cleaning and maintenance occupations

- p. Personal care and service occupations
 - q. Sales and related occupations
 - r. Office and administrative support occupations
 - s. Farming, fishing, and forestry occupations
 - t. Construction and extraction occupations
 - u. Installation, maintenance, and repair occupations
 - v. Production occupations
 - w. Transportation and material moving occupations
- 3) Makes a court's imposition of a civil penalty per employee for an employer's failure to file the annual pay data report mandatory rather than permissive.
 - 4) Requires a public employer that has 100 or more employees to, on or before the second Wednesday of May 2027, and on or before the second Wednesday of May of each year thereafter, submit a pay data report to the CRD covering the prior calendar year.
 - 5) Requires the pay data report to include demographic data provided by employees relative to ethnicity, race, disability, veteran status, and gender organized by job category as listed in the civil service pay scale.
 - 6) Requires demographic data submitted to the CRD pursuant to 4-5) above to disclose only aggregated statistical data and shall not identify any individual.
 - 7) Requires any individually identifiable information submitted to the CRD to be considered confidential information and not subject to disclosure pursuant to the California Public Records Act.
 - 8) Provides that for purposes of public employer pay data reporting, the following definitions shall apply:
 - a. "Employee" means a person employed in the state "civil service," as that phrase is defined in Article VII of the Constitution.
 - b. "Public employer" means the employer of an employee in the state "civil service," as that phrase is defined in Article VII of the Constitution. "Public employer" does not include a local agency, as defined.

COMMENTS

A number of studies demonstrate that the fight for pay equity among California's diverse workforce continues despite some of the nation's strongest pay data reporting measures. For example, in 2023, for every \$1 dollar earned by white families, Black families earn just 63 cents,

and Latino families fair worse earning just 52 cents.¹ In addition, occupational segregation based on race is still a significant problem. According to pay data reported to the CRD in 2022, white Californians make up over 60% of positions at the executive or senior level while Black Californians hold just 4% of these positions.²

According to the Author

According to the author, "SB 464 is a priority bill in the California Legislative Black Caucus' 2025, Road to Repair Package. On June 29, 2023, the Task Force to Study and Develop Reparation Proposals for African Americans issued its final report to the California Legislature. In their report, the Task Force offers recommendation to remedy longstanding income inequality, specifically enhancing pay data reporting requirements. To ensure greater transparency and accountability, SB 464 will expand existing reporting requirements in Government Code Section 12999 to specified public sector employees. Furthermore, SB 464 will expand reported job categories and salary reporting to better reflect our state's large and diverse workforce."

Arguments in Support

The California Employment Lawyers Association and Equal Rights Advocates are in support and state, "While existing pay data provides insight into disparities, they do not extend to workers in the public sector. Requiring this pay data will help public employers assess trends of occupational segregation, prompting public employers to make changes to their hiring, pay, or promotional practices to ensure better representation of women and people of color at all wage levels."

Arguments in Opposition

The Valley Industry and Commerce Association is opposed and states, "California already has strong anti-discrimination and pay equity laws. SB 464 creates overlapping obligations without demonstrating how additional reporting will meaningfully advance enforcement or equity outcomes. Instead, it places new burdens on employers without clear benefit, while risking employee trust and organizational efficiency."

FISCAL COMMENTS

According to the Assembly Appropriations Committee,

- 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.

¹ Thorman, Tess and Payares-Montoya, Daniel, "Income Inequality in California," Public Policy Institute of California, March 2025.

² Pay and Demographics of California Workers: Results from Annual Pay Data Reports: 2022. California Civil Rights Department.

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.

VOTES

SENATE FLOOR: 27-9-4

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

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

ABS, ABST OR NV: Hurtado, Niello, Reyes, Rubio

ASM LABOR AND EMPLOYMENT: 7-0-0

YES: Ortega, Flora, Chen, Elhawary, Kalra, Lee, Ward

ASM JUDICIARY: 10-2-0

YES: Kalra, Hart, Bryan, Connolly, Harabedian, Pacheco, Papan, Sanchez, Stefani, Zbur

NO: Dixon, Macedo

ASM APPROPRIATIONS: 11-1-3

YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Ahrens, Pacheco, Pellerin, Solache

NO: Tangipa

ABS, ABST OR NV: Sanchez, Dixon, Ta

UPDATED

VERSION: September 02, 2025

CONSULTANT: Megan Lane / L. & E. / (916) 319-2091

FN: 0001434