

---

UNFINISHED BUSINESS

---

Bill No: SB 464  
Author: Smallwood-Cuevas (D), et al.  
Amended: 9/5/25 in Assembly  
Vote: 21

---

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 4-1, 4/23/25  
AYES: Smallwood-Cuevas, Cortese, Durazo, Laird  
NOES: Strickland

SENATE JUDICIARY COMMITTEE: 11-0, 4/29/25  
AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab,  
Weber Pierson, Wiener  
NO VOTE RECORDED: Niello, Valladares

SENATE APPROPRIATIONS COMMITTEE: 5-1, 5/23/25  
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab  
NOES: Seyarto  
NO VOTE RECORDED: Dahle

SENATE FLOOR: 27-9, 6/2/25  
AYES: 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  
NOES: Alvarado-Gil, Choi, Dahle, Grove, Jones, Ochoa Bogh, Seyarto,  
Strickland, Valladares  
NO VOTE RECORDED: Hurtado, Niello, Reyes, Rubio

ASSEMBLY FLOOR: 49-6, 9/9/25 – Roll call not available.

---

**SUBJECT:** Employer pay data

**SOURCE:** Author

---

**DIGEST:** This bill, for existing pay data reporting requirements of private employers, 1) requires employers to collect and store demographic information gathered separately from employees' personnel records; and 2) beginning January 1, 2027, increases the number of job categories that employers must report on.

*Assembly Amendments of 9/5/25* 1) increase the job categories that employers must report on to provide a more accurate picture of the workforce; and 2) remove the annual pay data and demographic reporting requirements of public employers.

**ANALYSIS:**

Existing law:

- 1) Prohibits an employer from paying any of its employees at wage rates less than the rates paid to employees of the opposite sex for substantially similar work, when viewed as a composite of skill, effort, and responsibility, and performed under similar working conditions, except where the employer demonstrates a wage differential based on one or more factors, as specified. (Labor Code §1197.5)
- 2) Prohibits an employer from paying any of its employees at wage rates less than the rates paid to employees of another race or ethnicity for substantially similar work, when viewed as a composite of skill, effort, and responsibility, and performed under similar working conditions, except where the employer demonstrates a wage differential based on one or more factors, as specified. (Labor Code §1197.5)
- 3) Establishes exceptions to these prohibitions where the employer demonstrates the wage differential is based upon one or more of the following factors:
  - a) A seniority system;
  - b) A merit system;
  - c) A system that measures earnings by quantity or quality of production;
  - d) A bona fide factor other than sex, such as education, training, or experience which applies only if the employer demonstrates the factor is not based on or derived from a sex-based or race/ethnicity based differential in compensation, is job related, and is consistent with a business necessity, as defined. (Labor Code §1197.5)
- 4) Makes it a misdemeanor, punishable by a fine of up to \$10,000 or by imprisonment, or both, for an employer or other person acting either individually or as an officer, agent, or employee of another person to pay or

cause to be paid to any employee a wage less than the rate paid to an employee of the opposite sex, race, or ethnicity or who reduces the wages of any employee in order to comply with wage protections for an employee of the opposite sex per Section 1197.5. (Labor Code §1199.5)

- 5) Requires, on or before the second Wednesday of May of each year, a private employer that has 100 or more employees, as well as a private employer that has 100 or more employee hired through labor contractors, to submit a pay data report to the Civil Rights Department (CRD). The report is required to include, among other things, the following information:
  - a) The number of employees by race, ethnicity, and sex in specified job categories, including executive officials, professionals, technicians, laborers and helpers and service workers, among others.
  - b) Within each job category, for each combination of race, ethnicity, and sex, the median and mean hourly rate.
  - c) The total number of hours worked by each employee, as specified.(Government Code §12999)
- 6) Authorizes CRD, if the department does not receive the required report from an employer, to seek an order requiring the employer to comply with these requirements and entitles CRD to recover the costs associated with seeking the order for compliance. A court may impose a civil penalty not to exceed one hundred dollars (\$100) per employee upon any employer who fails to file the required report and not to exceed two hundred dollars (\$200) per employee upon any employer for a subsequent failure to file the required report. (Government Code §12999(f))
- 7) Protects any individually identifiable information submitted to CRD pursuant to these provisions by prohibiting the Department from making submitted information public in any manner and by making this information confidential and not subject to disclosure pursuant to the California Public Records Act. (Government Code §12999(f)(g))
- 8) Requires CRD to develop, publish on an annual basis, and publicize aggregate reports based on the data obtained through the employer submitted reports, provided that the aggregated reports are reasonably calculated to prevent the association of any data with any individual business or person. (Government Code §12999(i))

This bill:

- 1) Revises, and until January 1, 2027 only, existing pay data demographic reporting requirements of private employers to:
  - a) Require employers to collect and store any demographic information gathered by an employer or labor contractor for submitting the pay data reports separately from employees' personnel records.
  - b) Require, as opposed to current law that only authorizes, a court to impose a civil penalty against an employer that fails to submit the pay data report if requested to do so by CRD.
- 2) Beginning January 1, 2027, continues the above changes and expands the pay data reporting requirements to increase the number of job categories that employers must report on to more accurately measure the occupations that workers are employed in. Specifically, the bill expands the job categories to include, among others, the following:
  - a) Business and financial operations occupations.
  - b) Computer and mathematical occupations.
  - c) Community and social science occupations.
  - d) Legal occupations.
  - e) Educational instruction and library occupations.
  - f) Health care practitioners and technical occupations.
  - g) Health care support occupations.
  - h) Food preparation and serving-related occupations.
  - i) Building and ground cleaning and maintenance occupations.
  - j) Farming, fishing, and forestry occupations.
  - k) Construction and extraction occupations.
  - l) Transportation and material moving occupations.

## **Background**

*Pay Equity.* There have been numerous studies dedicated to calculating disparities in earnings between men and women in the workplace over the last fifty years. In 1963, women who worked full-time year-round made 59 cents on average for every dollar earned by a man according to the American Association of University Women (AAUW). In 2023, women working full time in the United States typically were paid just 83% of what men were paid - \$55,240 compared to \$66,790 –

leaving women and their families at a persistent financial disadvantage.<sup>1</sup> According to the AAUW, the pay gap challenges grow even more complex for women of color, LGBTQ+ women, and women with disabilities, who face compounded inequities.<sup>2</sup>

The wage gap is even larger for women of color. As noted by the AAUW, America's history of slavery, segregation, and immigration policies has created deeply rooted systemic inequalities that persist today. Among women who hold full-time, year-round employment in the United States in 2023, black women earned 66% for every dollar earned by white, non-Hispanic men, while Latinas earned 58% for every dollar. Asian women earned 94% and white, non-Hispanic women earned 80% for every dollar earned by a man.<sup>3</sup>

In recognition of the pay inequities that continue to plague our country, over the past decade, the California Legislature has passed several efforts attempting to close the gender pay gaps.

*Need for this bill?* According to the author: “Existing pay data reports have illuminated stark gaps in achievement between Black Californians and that rest of the state. For example, in 2022, for every \$1 earned by white families, Black families earn just 58 cents, and just 52 cents for Latino families. These disparities are further exacerbated in the promotion of minority workers to executive or senior level positions. According to 2022 payee data, while white Californians make up 62% of positions at the executive or senior level, Black Californians hold just 4% of these positions.”

[NOTE: Please see the Senate Labor, Public Employment and Retirement Committee analysis on this bill for more background information and information on prior legislation.]

### **Related/Prior Legislation**

SB 642 (Limon, 2025), among other things, would revise the definition of pay scales for purposes of pay wage transparency and would modify existing law provisions on pay equity to increase the statute of limitations for pay equity claims and strengthen violation provisions.

---

<sup>1</sup> American Association of University Women, “The Not So Simple Truth About the Gender Pay Gap,” 2025 Update. [https://www.aauw.org/app/uploads/2025/03/The\\_Simple\\_Truth\\_Gender\\_Pay\\_Gap\\_2025\\_3.28.pdf](https://www.aauw.org/app/uploads/2025/03/The_Simple_Truth_Gender_Pay_Gap_2025_3.28.pdf)

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

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. 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.

**SUPPORT:** (Verified 9/9/25)

Board of Supervisors for the City and County of San Francisco  
California Commission on the Status of Women & Girls  
California Employment Lawyers Association  
California-Hawaii State Conference of the NAACP  
Equal Rights Advocates  
Greater Sacramento Urban League

**OPPOSITION:** (Verified 9/9/25)

California Legislative Conference of Plumbing, Heating & Piping Industry  
Construction Employers Association  
Finishing Contractors Association of Southern California  
National Electrical Contractors Association  
Northern California Allied Trades

Southern California Contractors Association  
Southern California Glass Management Association  
Tri-County Chamber Alliance  
United Contractors  
Valley Industry and Commerce Association  
Wall and Ceiling Alliance  
Western Line Constructors Chapter  
Western Painting and Coating Contractors Association  
Western Wall and Ceiling Contractors Association

### **ARGUMENTS IN SUPPORT:**

The California Employment Lawyers Association is in support and writes: “While existing pay data provides insight into disparities, they do not fully encompass the experience of workers in the public sector, or of LGBTQ+ workers. Furthermore, without access to individual reports, stakeholders are limited in their ability to hold employers accountable to equitable pay practices. 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.”

### **ARGUMENTS IN OPPOSITION:**

According to the Valley Industry and Commerce Association:

“While VICA supports policies that promote workplace equity, this bill goes beyond the appropriate scope of government-mandated reporting and introduces significant administrative, legal, and privacy concerns...Requiring employers to maintain a dual data system creates operational inefficiencies and increases compliance costs...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.”

Prepared by: Alma Perez-Schwab / L., P.E. & R. / (916) 651-1556  
9/9/25 14:07:17

\*\*\*\* END \*\*\*\*