

Date of Hearing: July 9, 2025

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT

Liz Ortega, Chair

SB 578 (Smallwood-Cuevas) – As Amended May 23, 2025

SENATE VOTE: 28-10

SUBJECT: California Workplace Outreach Program

SUMMARY: Requires the Department of Industrial Relations (DIR), upon appropriation of funds for this purpose, until January 1, 2031, to establish and administer the California Workplace Outreach Program (CWOP) in order to promote awareness of, and compliance with, workplace protections that affect California workers. Specifically, **this bill**:

- 1) Requires the DIR, upon appropriation of funds for this purpose, until January 1, 2031, to establish and administer the CWOP. Moneys in the Labor and Workforce Development Fund shall be available, upon appropriation by the Legislature, for all covered purposes of the program and for the administration of the program.
- 2) States that the purpose of CWOP is to promote awareness of, and compliance with, workplace protections that affect California workers, with a focus on low-wage and high-violation industries.
- 3) Defines “qualified organization” to mean a nonprofit organization with demonstrated experience in carrying out in-person outreach and education directed at workers in industries and demographic groups deemed by the DIR or its divisions to be vulnerable to violations of workplace protections.
- 4) Requires the DIR to issue a competitive request for application to qualified organizations to provide education and outreach services to workers and to assist workers to assert their workplace rights. The DIR may require qualified organizations to participate in training.
- 5) Requires qualified organizations to consult with the DIR regarding priority topics for outreach and education, which may include, but are not limited to, minimum wage, overtime, paid leave, retaliation, health and safety, excessive heat, discrimination protections, the adjudication processes of the DIR and the Civil Rights Department (CRD), and issues that affect certain low-wage or high-violation industries differently.
- 6) Requires qualified organizations to consult with the DIR, other departments and divisions of the Labor and Workforce Development Agency (LWDA), and the CRD to create education and outreach materials informing workers of their rights on priority topics and training materials for workers and organizations.
 - a. The materials shall be translated into non-English languages, to be determined by each qualified organization in consultation with the DIR, as appropriate for the geographic region the qualified organization serves.

- 7) Requires the DIR and qualified organizations to meet twice a year, or more frequently at the discretion of the DIR, to coordinate efforts around outreach, education, and enforcement, including sharing information, as specified, that will shape and inform the overall enforcement strategy of the DIR.

EXISTING LAW:

- 1) Establishes the DIR within the LWDA to foster, promote, and develop the welfare of the wage earners of California, to improve their working conditions, and to advance their opportunities for profitable employment. Labor Code §50.5
- 2) Establishes the CRD to receive, investigate, and adjudicate allegations of housing and employment discrimination under the Fair Employment and Housing Act. Government Code §12930.
- 3) Requires, upon appropriation by the Legislature, the DIR to establish and maintain a Garment Worker Wage Claim Pilot Program. The DIR shall contract to provide resources to qualified organizations. The funds shall be used to increase the capacity and expertise of qualified organizations to improve the education of wage violations to garment workers and the securing of wage claims for garment workers who bring forward a wage claim. Labor Code §2693.1
- 4) Requires the Division of Labor Standards Enforcement (DLSE), upon appropriation of funds to the division, to establish and maintain an outreach and education program. The purpose of the program shall be to promote awareness of, and compliance with, labor protections that affect the domestic work industry and to promote fair and dignified labor standards in this industry and other low-wage industries. Labor Code §1455(a)(1).

FISCAL EFFECT: According to the Senate Appropriations Committee,

This bill would result in a cost pressure of unknown magnitude to DIR to establish CWOP and perform the workload required by the bill. Assuming annual contract award funds of \$30 million, DIR indicates that it would incur annual costs of \$3.1 million to create and administer the Program (Labor and Workforce Development Fund).

COMMENTS: Despite California's strong labor protections, wage theft and workplace health and safety violations are prevalent across the workforce. Recent studies have found that California's workers lose between 2.4 to 4.6 billion a year by employers paying below the minimum wage.¹ In addition, a study in 2024 of major metro areas in California found that the number of workers paid below both the state and local minimum wages has more than doubled since 2014.² Workplace safety violations, especially around high heat, continue to put workers at risk of injury or death. For example, researchers estimate that around 20,000 heat-related injuries occur each year in California.³

¹ Galvin, Daniel J., Barnes, Jake, and Fine, Janice, et al., "Wage theft in California: Minimum Wage Violations, 2014-2023," Rutgers School of Management and Labor Relations, May 2024.

² *Ibid.*

³ Foy, Nicole, "The hidden cost of California's hot workplaces: 20,000 job injuries a year," July 25, 2023.

The CWOP program, which this bill would authorize for another five years, has enjoyed highly successful outreach to workers, recording five million touchpoints with workers across the state.⁴ In addition to having a broad reach, the program--recently evaluated by researchers at the Possibility Lab with the University of California at Berkeley-- is increasing worker awareness regarding their rights. The Possibility Lab surveyed both low-wage workers who had interacted with CWOP and those who had not (known as the “statewide sample”). Survey results indicated that CWOP-engaged workers were more aware of paid sick leave and health and safety violations than workers from the statewide sample.⁵ Furthermore, CWOP-engaged workers had greater trust in community organizations than those in the statewide sample and reported they would be more likely to reach out to those organizations if it helped their friends and coworkers.⁶ Workers in the statewide sample, however, had a very low familiarity with the state agencies that enforce labor laws, with the one exception being that nearly two-thirds of the workers had heard of Cal/OSHA.⁷ In short, recent worker surveys appear to demonstrate the effectiveness of outreaching to and educating workers about their workplace rights through a community-based model.

According to the author, “This bill would codify [the] CWOP program until January 1, 2031, in our labor standards enforcement landscape and would build on two industry-specific precedents: an outreach program for domestic workers (Labor Code section 1455), and a wage claim program for garment workers (Labor Code section 2693.1). Expanding on these successful pilots to reach all low-wage industries is long overdue.

SB 578 would also expand the scope of CWOP to include workplace rights administered by the Employment Development Department (EDD), including paid family leave, disability leave, and unemployment insurance; and the Civil Rights Department (CRD), which protects the rights of Californians to work without discrimination or harassment on the basis of sex, race, ethnicity, language, and other protected characteristics.”

The author continues, “SB 578 promotes equity by establishing the California Workplace Outreach Program to empower low-wage workers, particularly in high-violation industries, with education on workplace protections and support in asserting their rights. By partnering with trusted, community-based organizations to deliver multilingual outreach and culturally responsive education, the bill directly addresses barriers faced by vulnerable communities, including immigrants, limited-English speakers, and workers of color, thus advancing the goals of HR 39 to reduce disparities and promote equitable access to economic and health protections.”

Arguments in Support

A coalition of social and economic justice organizations, including the California Coalition for Worker Power, are in support and state, “CWOP saves the state money by preventing wage theft and unsafe conditions through proactive education of workers and employers. More than \$4 billion dollars is stolen from workers’ paychecks each year. This colossal wage theft also causes

⁴ See “Empowering Vulnerable Workers and Improving Knowledge: Insights from California’s COVID-19 Workplace Outreach Project and the Trusted Messenger Model,” Possibility Lab, University of California, Berkeley, February 2025.

⁵ *Ibid.*

⁶ *Ibid.*

⁷ *Ibid.*

losses of tax revenue to the state, in addition to unpaid obligations to our workers compensation and unemployment insurance funds via fraudulent misclassification. CWOP prevents wage theft by educating workers and driving changes to employer practices, ensuring that money owed to workers' circulates in our economy and that employer taxes are paid.

CWOP also prevents economic losses caused when workers are absent or become disabled due to workplace hazards. Improving access to paid sick and safe days and paid family leave reduces costs for everyone, including by reducing reliance on expensive emergency room visits for medical care. Moreover, CWOP achieves these results efficiently. CWOP partner organizations often secure justice for workers through informal resolution strategies, such as letters outlining alleged violations and demanding remedies that can achieve justice for workers without adding strain to our overburdened enforcement agencies.

New crises, like the outbreak of avian flu in the San Joaquin Valley and wildfires in Los Angeles County, demonstrate the urgency of codifying CWOP's flexible state-wide infrastructure. Immigrant workers, targeted by the federal government, urgently need information and resources to prevent immigration-related retaliation and navigate a climate of fear and intimidation. The last time Trump took power, immigration-related retaliation complaints rose by over 450% from 2016 to 2017. Codifying this proven program ensures the state can respond to every threat to California's workers."

Arguments in Opposition

None on file.

Prior Legislation

SB 1030 (Smallwood-Cuevas) of 2024 was nearly identical to this bill and would have directed DIR, upon appropriation, to establish the California Workplace Outreach Project to promote awareness of, and compliance with, labor protections by contracting out with qualified organizations for worker outreach and the creation of educational materials. The bill died in the Senate Appropriations Committee.

AB 130 (Committee on Budget) Chapter 39, Statutes of 2023 deleted the June 30, 2024 inoperative date for the domestic worker outreach and education program within Division of Labor Standards Enforcement (DLSE) and provided \$35 million in one-time funds for grants to community based organizations for domestic worker education and outreach.

AB 138 (Committee on Budget) Chapter 78, Statutes of 2021 established the Garment Worker Wage Claim Pilot Program within DIR to contract with qualified organizations for the purpose of providing educational services to garment workers regarding wage violations.

SB 83 (Committee on Budget and Fiscal Review), Chapter 24, Statutes of 2019, among other things, established a domestic worker outreach and education program within DLSE to promote awareness of, and compliance with, labor protections that affect the domestic work industry and to promote fair and dignified labor standards in this industry.

REGISTERED SUPPORT / OPPOSITION:**Support**

Afscme California
Asian Americans Advancing Justice
Asian Americans Advancing Justice - Asian Law Caucus
Asian Americans Advancing Justice Southern California
Black Women for Wellness Action Project
Building Skills Partnership
CA Healthy Nail Salon Collaborative
California Child Care Resource and Referral Network
California Coalition for Worker Power
California Domestic Workers Coalition
California Federation Business and Professional Women
California Federation of Labor Unions, Afl-cio
California Healthy Nail Salon Collaborative
California Immigrant Policy Center
California Labor Federation, Afl-cio
California Nurses Association
California Partnership to End Domestic Violence
California Rural Legal Assistance Foundation
California Work and Family Coalition
Caring Across Generations
Center for Community Action and Environmental Justice (CCA EJ)
Center for Workers' Rights
Center on Policy Initiatives
Central California Environmental Justice Network
Central Coast Alliance United for a Sustainable Economy
Central Valley Empowerment Alliance
Centro Binacional Para El Desarrollo Indigena Oaxaqueño (CBDIO)
Child Care Law Center
Chinese Progressive Association
Clean Carwash Worker Center
Consumer Attorneys of California
Earthlodge
East Bay Alliance for a Sustainable Economy (EBASE)
Equal Rights Advocates
Fresno, Madera, Tulare, Kings Counties, Central Labor Council, Afl-cio
Friends Committee on Legislation of California
Golden Gate University Law Women's Employment Rights Clinic
Grace - End Child Poverty in California
Health in Partnership
Human Impact Partners
Inland Coalition for Immigrant Justice
Inland Empire Black Worker Center
Inland Empire Labor Council, Afl-cio
Jakara Movement
Jobs With Justice San Francisco

Koreatown Immigrant Workers Alliance (KIWA)
LA Best Babies Network
Legal Aid At Work
Lideres Campesinas
Los Angeles Alliance for a New Economy (LAANE)
Los Angeles Worker Center Network
Maintenance Cooperation Trust Fund
Mixteco/indigena Community Organizing Project (MICOP)
Mujeres En Accion
Mujeres Unidas Y Activas
National Domestic Workers Alliance
National Employment Law Project
North Bay Jobs With Justice
Orange County Equality Coalition
Parent Voices California
Partnership for a Better San Diego
Pilipino Workers Center
Pomona Economic Opportunity Center
Powerswitch Action
Restaurant Opportunities Center of Los Angeles
Sacramento Central Labor Council, Afl-cio
Seiu California
Southern California Black Worker Hub for Regional Organizing
Southern California Coalition for Occupational Health and Safety
Techequity Action
The Cambodian Family
The Way Resource Center
Trabajadores Unidos Workers United
Ucla Labor Center
United Farm Workers
United for Respect
Universidad Popular
Valley Forward
Valley Voices
Warehouse Worker Resource Center
West Modesto Community Collaborative
Women's Foundation California
Working Partnerships USA
Worksafe

Opposition

None on file.

Analysis Prepared by: Megan Lane / L. & E. /