

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS  
Buffy Wicks, Chair  
SB 578 (Smallwood-Cuevas) – As Amended May 23, 2025

Policy Committee: Labor and Employment

Vote: 6 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

**SUMMARY:**

This bill requires the Department of Industrial Relations (DIR) to establish and administer the California Workplace Outreach Program (CWOP).

Specifically, this bill:

- 1) Requires DIR, upon appropriation of funds and until January 1, 2031, to establish and administer CWOP to promote awareness of, and compliance with, workplace protections affecting California workers, with a focus on low-wage and high-violation industries. Moneys in the Labor and Workforce Development Fund must be available, upon appropriation, to administer CWOP.
- 2) Requires DIR to issue a competitive request for application to nonprofit organizations with demonstrated experience conducting outreach to vulnerable workers (“qualified organizations”) to provide such services and assist workers to assert their rights.
- 3) Requires a qualified organization to consult with DIR regarding priority outreach topics. A qualified organization must consult with DIR, other departments and divisions of the Labor and Workforce Development Agency (LWDA), and the Civil Rights Department (CRD) to create worker education and outreach materials. The materials must be translated into non-English languages selected by the qualified organization in consultation with DIR
- 4) Requires DIR and qualified organizations to meet at least twice a year to coordinate outreach, education, and enforcement efforts.

**FISCAL EFFECT:**

- 1) Annual cost pressures of an unknown amount, likely in the tens of millions of dollars, depending on the amount of any appropriation made by the Legislature to DIR to award CWOP grants to qualified organizations (Labor and Workforce Development Fund). Although CWOP is not enacted in statute, a version of the program has been operational since 2020. The Budget Act of 2025 includes \$13 million for CWOP, and CWOP was allocated \$30 million, \$25 million, and \$25 million, respectively, in each preceding fiscal year (FY).
- 2) Annual costs of approximately \$4.5 million to DIR to continue administering CWOP, including costs for information technology and printing (Labor and Workforce Development Fund). DIR notes that this cost estimate assumes a \$30 million appropriation for CWOP, as

past budget acts have authorized DIR to use up to 15% of the appropriated amount for administrative costs.

- 3) Minor and absorbable costs to other LWDA departments and divisions, such as the Employment Development Department (EDD), to consult with a qualified organization on education and outreach materials.
- 4) Costs of an unknown amount to CRD, depending on the scope of CRD's obligations under this bill, which CRD notes is unclear. If CRD must conduct several or more consultations, liaise with multiple qualified organizations, and help create a significant number of education and outreach materials, CRD anticipates costs of approximately \$386,000 in FY 2026-27 and \$380,000 in FY 2027-28 and annually thereafter for two additional staff positions (Labor and Workforce Development Fund). However, if CRD conducts only a nominal number of consultations, costs would likely be minor and absorbable. To the extent expanding CWOP to include labor rights administered by CRD results in a significant increase in complaints filed with CRD, CRD would incur additional costs of an unknown amount for staff and resources to undertake new intake, investigation, dispute resolution, and prosecution workload (General Fund).

#### COMMENTS:

- 1) **Purpose.** According to the author, this bill codifies and expands the scope of CWOP and “would build on two industry-specific precedents: an outreach program for domestic workers...and a wage claim program for garment workers...Expanding on these successful pilots to reach all low-wage industries is long overdue.” This bill is sponsored by the California Coalition for Worker Power and supported by a large coalition of labor organizations and economic and social justice groups.
- 2) **CWOP.** During the COVID-19 pandemic, the Budget Act of 2020 allocated \$32.5 million to LWDA for employer and worker education, engagement, and enforcement in high-risk industries, such as agriculture, food service, janitorial services, and warehousing. LWDA used this funding to establish the California COVID-19 Workplace Outreach Program to reach and empower high-risk workers through trusted community organizations and leaders.

Over the years, the Legislature continued program funding and expanded the scope of the program to include education and outreach regarding all workplace rights, not just those related to COVID-19, renaming the program CWOP and shifting administration to DIR. This bill codifies CWOP and further expands the program's scope to include topics outside DIR's jurisdiction, such as paid family leave administered by EDD and CRD's adjudication process. This bill requires education and outreach materials be translated into non-English languages, but allows a qualified organization to determine which languages in consultation with DIR, instead of the relevant state agency.

- 3) **Prior Legislation.** SB 1030 (Smallwood-Cuevas), of the 2023-24 Legislative Session, was similar to this bill, except SB 1030 would have codified the current CWOP only, without providing for program expansion. SB 1030 was held on the Senate Appropriations Committee's suspense file.