

SENATE THIRD READING  
SB 578 (Smallwood-Cuevas)  
As Amended September 3, 2025  
Majority vote

## 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.

### Major Provisions

- 1) Requires the DIR, upon appropriation of funds for this purpose, until January 1, 2031, to establish and administer the CWOP.
- 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, *high-risk*, and *high-violation* industries.
- 3) *Requires the DIR to consult and collaborate with the Civil Rights Department when the program's outreach and education materials involve protections under the California Fair Employment and Housing Act and other relevant statutes.*
- 4) 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.
- 5) Requires the DIR to issue a competitive request for application *for* 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.
- 6) *Requires the DIR to guide discussions with* qualified organizations 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 issues that affect certain low-wage, *high-risk*, and *high-violation* industries differently.
- 7) *Requires the DIR to consult with* qualified organizations *and* the Labor and Workforce Development Agency (LWDA) *and, as relevant, its departments and boards* 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 *the DIR*, in consultation with *each qualified organization*, as appropriate for the geographic region the qualified organization serves.
- 8) 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 *and* education, and *for qualified*

*organizations to share information relevant to enforcement activities of the DIR, in accordance with applicable privacy and confidentiality laws.*

## COMMENTS

See the Committee's Policy Analysis.

### According to the Author

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."

### 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 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.

## FISCAL COMMENTS

According to the Assembly Appropriations Committee,

- 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).

## VOTES

### SENATE FLOOR: 28-10-2

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

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

**ABS, ABST OR NV:** Hurtado, Reyes

### ASM LABOR AND EMPLOYMENT: 6-0-1

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

**ABS, ABST OR NV:** Chen

**ASM APPROPRIATIONS: 11-3-1**

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

**NO:** Sanchez, Dixon, Tangipa

**ABS, ABST OR NV:** Ta

**UPDATED**

VERSION: September 3, 2025

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

FN: 0001601