
UNFINISHED BUSINESS

Bill No: SB 578
Author: Smallwood-Cuevas (D), et al.
Amended: 9/3/25
Vote: 21

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 4-1, 3/26/25
AYES: Smallwood-Cuevas, Cortese, Durazo, Laird
NOES: Strickland

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

SENATE FLOOR: 28-10, 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, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares
NO VOTE RECORDED: Hurtado, Reyes

ASSEMBLY FLOOR: 48-11, 9/10/25 – Roll call vote not available

SUBJECT: California Workplace Outreach Program

SOURCE: California Coalition for Worker Power

DIGEST: This bill directs the Department of Industrial Relations (DIR), upon appropriation of funds for this purpose, to establish the California Workplace Outreach Program (Program) to promote awareness of, and compliance with, workplace protections by contracting out with qualified organizations for worker outreach and the creation of educational materials.

Assembly Amendments 1) strike a provision that authorized the use of moneys in the Labor and Workforce Development Fund for the Program; 2) require DIR to consult with the Civil Rights Department when developing specified outreach and education materials; 3) require DIR to guide discussions and consult with qualified organizations to determine priority topics and create materials; 4) require qualified organizations to implement any DIR suggested changes to materials; 5) require qualified organizations to share information relevant to enforcement activities of DIR.

ANALYSIS:

Existing law:

- 1) Requires, under the California Occupational Safety and Health Act, an employer to:
 - a) Furnish employment and a place of employment that is safe and healthful.
 - b) Furnish and use safety devices and safeguards, as well as adopt and use practices, means, methods, operations, and processes that are reasonably adequate to render employment and the place of employment safe and healthful.
 - c) Do everything reasonably necessary to protect the life, safety, and health of employees.
(Labor Code §6300 et seq.)
- 2) Establishes the Labor and Workforce Development Agency (LWDA) to serve California workers and businesses by improving access to employment and training programs; enforcing California labor laws to protect workers and create an even playing field for employers; and administering benefits that include workers' compensation, unemployment insurance, disability insurance, and paid family leave. (Government Code §15550 et seq.)
- 3) Establishes DIR in the LWDA and vests it with various powers and duties 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)
- 4) Directs the Division of Labor Standards Enforcement (DLSE), upon appropriation of funds for this purpose, to establish and maintain an outreach and education program in conjunction with community-based organizations to

promote awareness of, and compliance with, labor protections that affect the domestic work industry. (Labor Code §1455)

- 5) Directs DIR, upon appropriation, to establish and maintain a Garment Worker Wage Claim Pilot Program and to contract with qualified organizations to educate garment workers on, and provide legal assistance for, filing wage claims. (Labor Code §2693.1)

This bill:

- 1) Adds a new division to the Labor Code, commencing with Section 11000, that directs DIR, upon appropriation of funds for this purpose, to establish and administer the California Workplace Outreach Program (Program).
- 2) States the purpose of the Program shall be to promote awareness of, and compliance with, workplace protections that affect California workers, with a focus on low-wage and high-violation industries.
- 3) Requires DIR to consult and collaborate with the Civil Rights Department when the Program's outreach and education materials involve protections under the Fair Employment and Housing Act or any statute referenced in subdivision (f) of Section 12930 of the Government Code.
- 4) Defines "qualified organization" as a nonprofit organization with demonstrated experience in carrying out in-person outreach and education directed at workers in industries and demographic groups deemed by DIR or its divisions to be vulnerable to violations of workplace protections.
- 5) Directs 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.
- 6) Authorizes DIR to require qualified organizations to participate in training.
- 7) Requires DIR to guide discussions with qualified organizations regarding priority topics for outreach and education.
- 8) Requires DIR to consult with qualified organizations and the 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.

- 9) Requires the materials to be translated into non-English languages, to be determined by DIR in consultation with each qualified organization, as appropriate for the geographic region they serve.
- 10) Provides that DIR may require its final approval of education, outreach, and training materials, and requires organization to implement any suggested changes.
- 11) Requires DIR and qualified organizations to meet twice a year, or more frequently at the discretion of DIR, to coordinate efforts around outreach and education, and for qualified organizations to share information relevant to enforcement activities of DIR, in accordance with applicable privacy and confidentiality laws.
- 12) Provides that these provisions shall remain in effect only until January 1, 2031, and as of that date is repealed.

Background

California Covid-19 Workplace Outreach Project (CWOP) Budget Appropriations
Five years ago, the Covid-19 pandemic swept across the globe, shutting down workplaces and disrupting lives. Californians who were unable to work from home were uniquely vulnerable to the virus. Often, these workers were concentrated in the following high-risk, low-wage industries: agriculture, food processing, food service, janitorial services, manufacturing, and warehousing. In response, the state allocated \$32.5 million from the General Fund in 2020 to the LWDA for Covid-19 related employer and worker education, engagement, and enforcement in high-risk industries. With this funding, the LWDA established CWOP to reach and empower high-risk workers through trusted organizations and community leaders. CWOP began as a six-month program within the LWDA, but has since been extended several times over and moved within DIR.

The 2022 Budget Act included \$25 million from the General Fund each in 2022-2023 and 2023-2024 for CWOP. In 2023, CWOP was renamed the California Workplace Outreach Program to reflect its expanded focus on all workplace rights, not just those related to Covid-19. The 2024-2025 state budget included \$30 million for CWOP. DIR's website has a full list of community-based organizations

receiving funds under the most recent budget allocation. SB 578 would codify this temporary program in the Labor Code.

Applicant Requirements. DIR reviews all CWOP applicants to confirm compliance with administrative and technical requirements. At a minimum, all applicants must provide an IRS determination letter proving their status as a 501 (c)(3), 501 (c)(4), or 501 (c)(5) as well as an IRS Form 990. Applicants that meet the administrative review requirements then face a technical review where they are scored according to five criteria: 1) experience, 2) organizational capacity, 3) project scope, 4) previous CWOP participation, and 5) tactics, populations, and geography.

CWOP Outreach. CWOP utilizes a trusted messenger model, recognizing that local partners embedded in communities are able to connect with workers in a way that government officials cannot. Furthermore, California is geographically vast and demographically diverse, which makes it difficult to use a single standardized approach for worker outreach. By contracting with community-based organizations (CBOs) across the state, DIR can tailor its approach to the environment. From February 2021 to September 2024, CBOs working with CWOP made 7.5 million touchpoints and conducted 1.5 million two-way conversations with workers and employers.

Recently, DIR partnered with four University of California programs, the UC Berkeley Labor and Occupational Health Program, the UC Davis Western Center for Agricultural Health and Safety, the UCLA Labor Occupational Safety and Health Program, and the UC Merced Community and Labor Center, to help administer CWOP. In conjunction with its UC partners, DIR provides training and technical assistance to participating CBOs. Trainings focus on current regulations and procedures for reporting workplace non-compliance. As a result, CBOs expand their knowledge of labor issues and their ability to help workers.

The first CBOs to receive funds in February 2021 provided information about how to prevent the spread of Covid-19, paid sick leave, and other pandemic specific laws. Today, outreach focuses on wage theft, workers' compensation, heat illness, and support filing complaints for workplace non-compliance. Common outreach tactics include door-to-door canvassing, phone banking, trainings, workshops, events in high-trafficked areas, flyers, social media posts, direct mailers, and ethnic media partnerships. From September 2023 through September 2024, 76 CBOs statewide participated in CWOP. Over the same period, the five most common languages used to interact with workers were Spanish, English, Mixteco, Vietnamese, and Arabic. The state's most vulnerable workers, especially those

who are undocumented, may feel uncomfortable reaching out to the government for help. CWOP is a way to reach them.

Committee Comments. This bill would direct qualified organizations to consult with DIR, other departments and divisions of the LWDA, and CRD to create education and outreach materials. In doing so, this bill would expand the scope of CWOP. When the LWDA housed CWOP, CBOs consulted with the agency. Consulting with CRD, however, would be a new endeavor.

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

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).

SUPPORT: (Verified 9/10/25)

California Coalition for Worker Power (Source)
American Federation of State, County, and Municipal Employees
Asian Americans Advancing Justice
Asian Americans Advancing Justice Southern California
Bet Tzedek Legal Services
Black Women for Wellness Action Project
Building Skills Partnership
California Breastfeeding Coalition
California Child Care Resource and Referral Network
California Domestic Workers Coalition
California Federation Business and Professional Women
California Federation of Labor Unions
California Healthy Nail Salon Collaborative
California Immigrant Policy Center
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
Center for Workers' Rights
Center on Policy Initiatives
Central California Environmental Justice Network
Central Coast Alliance United for A Sustainable Economy
Central Labor Council, Fresno-Madera-Tulare-Kings Counties
Central Valley Empowerment Alliance
Centro Binacional Para El Desarrollo Indigena Oaxaqueño
Child Care Law Center
Chinese Progressive Association
Clean Carwash Worker Center
Consumer Attorneys of California
Earthlodge
East Bay Alliance for A Sustainable Economy
Equal Rights Advocates
Friends Committee on Legislation of California
Golden Gate University Law Women's Employment Right's Clinic

Grace - End Child Poverty in California
Health in Partnership
High Desert Black Worker Center
Human Impact Partners
Inland Coalition for Immigrant Justice
Inland Empire Black Worker Center
Inland Empire Labor Council
Jakara Movement
Jobs With Justice San Francisco
Koreatown Immigrant Workers Alliance
LA Best Babies Network
Legal Aid At Work
Legal for California Rural Assistance Foundation
Lideres Campesinas
Long Beach Black Worker Center
Los Angeles Alliance for A New Economy
Los Angeles Black Worker Center
Los Angeles Worker Center Network
Maintenance Cooperation Trust Fund
Mixteco Indigena Community Organizing Project
Monterey Bay Central Labor Council
Mujeres En Acción
Mujeres Unidas Y Activas
National Domestic Workers Alliance
National Employment Law Project
National Women's Political Caucus of California
North Bay Jobs With Justice
North Valley Labor Federation
Orange County Equality Coalition
Parent Voices California
Partnership for A Better San Diego
Pilipino Association of Workers and Immigrants
Pilipino Workers Center
Poder Latinx
Pomona Economic Opportunity Center
Powerswitch Action
Reproductive Freedom for All California
Restaurant Opportunities Center of Los Angeles
Sacramento Central Labor Council
Service Employees International Union California State Council

Southern California Black Worker Hub for Regional Organizing
Southern California Coalition for Occupational Health and Safety
Techequity Action
Thai Community Development Center
The Cambodian Family
The Restaurant Opportunities Center of Los Angeles
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 Employment Rights Clinic of Golden Gate University
Women's Foundation California
Working Partnerships USA
Worksafe

OPPOSITION: (Verified 9/10/25)

None received

ARGUMENTS IN SUPPORT: According to the sponsors of the measure, the California Coalition for Worker Power:

“Investment in CWOP has already yielded positive returns for our economy. CWOP saved untold lives and prevented costly hospital stays by vaccinating hundreds of thousands of workers and mitigating the spread of Covid-19 in California’s workplaces...

While the fiscal impact of proactive and preventative programs is difficult to measure, CWOP’s return on investment is clearly substantial. The billions of dollars stolen from workers’ paychecks each year should be circulating in our economy. 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. Our economy suffers when workers miss work or become disabled due to workplace hazards.

CWOP not only ensures that workers enjoy respect and dignity on the job, but saves the state money by preventing wage theft and unsafe conditions.”

Prepared by: Emma Bruce / L., P.E. & R. / (916) 651-1556
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