

Senate Bill No. 83

CHAPTER 24

An act to amend Sections 13302, 18930.5, 19792, 19803, 19809, 19815.6, 19878, 19879.1, 19880, 19881, 19882, 19883, 19884, 19995.1.5, 22551, 22555, 22556, 22560, 22600, 22602, 22871.3, and 100014 of, to add Sections 3539.6 and 19878.5 to, and to repeal Section 12472.5 of, the Government Code, to amend Sections 1420, 1421, 1428, 1429, 1429.5, 1430, and 1434 of, to add Section 6717.5 to, and to add and repeal Section 1455 of, the Labor Code, and to amend Sections 984, 1088.9, and 1095 of, and to amend, repeal, and add Section 3301 of, the Unemployment Insurance Code, relating to employment, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor June 27, 2019. Filed with Secretary of State June 27, 2019.]

LEGISLATIVE COUNSEL'S DIGEST

SB 83, Committee on Budget and Fiscal Review. Employment.

(1) Existing law requires the Controller to operate a uniform state payroll system for all state agencies, except the California Exposition and State Fair and the University of California, in conformance with the accounting system for all state agencies supervised by the Department of Finance.

Existing law, on and after January 1, 2010, requires that payments to employees made through the Uniform State Payroll System for master payroll paid on June 30 of each year be issue dated on July 1, provided that employees, in any event, be paid promptly. Existing law requires that these payments be considered payables incurred in the fiscal year in which the payment is issue dated for purposes of the accounting system for the state by the Department of Finance, except as specified.

This bill would repeal these provisions described above that require that payments to employees paid on June 30 of each year be issue dated July 1, and would make conforming changes.

(2) Existing law creates the Department of Human Resources, which succeeds to, and is vested with, all of the powers and duties exercised and performed by the Department of Personnel Administration. Existing law specifically grants the department the powers, duties, and authority necessary to operate the state civil service system in accordance with Article VII of the California Constitution, the Government Code, the merit principle, and applicable rules duly adopted by the State Personnel Board.

Existing law vests the department with the jurisdiction and responsibility of establishing and maintaining personnel standards on a merit basis and administering merit systems for local government agencies where merit systems of employment are required by statute or regulation as a condition

of a state-funded program or a federal grant-in-aid program. Existing law authorizes the department to bill state departments having responsibility for the overall administration of grant-in-aid programs for the costs incurred in conducting hearings involving employees of the local agencies. Existing law requires those state departments having responsibility for the overall administration of grant-in-aid programs to reimburse the department for related administrative costs incurred by the department.

Existing law authorizes the department to charge state agencies for actual and necessary costs of specific legal services, of arbitration relating to specific grievance arbitration cases, and of negotiating and administering memoranda of understanding governing state employer and employee relations.

Existing law authorizes the department to provide training programs to any public employee or officer, as defined, so that the quality of service rendered by those persons may be continually improved, and to collect registration fees from the employee's or officer's employing entity for attendance in a training program without entering into a written agreement with that employing entity or seeking the approval of the Department of General Services.

Existing law authorizes the Controller to establish procedures whereby payments between funds and appropriations within a state agency and between funds and appropriations of different state agencies may be made by transfers upon the Controller's accounts in lieu of making those payments by claims and warrants.

This bill would require the Controller, pursuant to those transfer procedures, to transfer to the department any moneys owed to the department by the various state entities under the above-described provisions.

(3) Existing law authorizes the department to designate an appointing power to design, announce, or administer examinations for the establishment of employment lists. Existing law authorizes a designated appointing power to contract with the department or another designated appointing power for the purpose of designing, publicizing, or administering an examination.

This bill would require the department to charge designated appointing powers for those services and would require the Controller to transfer to the department any moneys owed to the department under these provisions.

(4) Existing law requires the department to take prescribed actions relating to state agency equal employment opportunity programs, including maintaining a statistical information system designed to yield the data and the analysis necessary for the evaluation of equal employment opportunity within the state civil service.

This bill would require the department to establish and maintain a tracking system to enable the collection of discrimination and harassment complaint data across state agencies. The bill would require the department to charge state agencies for maintenance and support of the system and would require the Controller to transfer to the department any moneys owed to the department under these provisions.

(5) Existing law establishes, within the state disability insurance program, a family temporary disability insurance program, also known as the Paid Family Leave program, for the provision of wage replacement benefits to workers who take time off work to care for a seriously ill family member or to bond with a minor child within one year of birth or placement, for up to 6 weeks within any 12-month period.

Under existing law, when a state employee is disabled, whether temporarily or permanently, the employee is entitled, subject to certain conditions, to receive specified Nonindustrial Disability Insurance benefits, unless a memorandum of understanding conflicts with this requirement. Existing law authorizes an eligible employee, as defined, who has enrolled in the state annual leave program to receive Nonindustrial Disability Insurance benefits equal to $\frac{1}{2}$ pay in lieu of using sick leave or annual leave.

This bill would authorize an eligible employee, as defined, to receive Nonindustrial Disability Insurance Family Care Leave benefits equal to $\frac{1}{2}$ pay in lieu of using sick leave or annual leave, for up to 6 weeks of benefits during any 12-month period, for Nonindustrial Disability Insurance Family Care Leave, as defined. The bill would make conforming changes to existing Nonindustrial Disability Insurance benefits provisions.

(6) The existing Bill of Rights for State Excluded Employees prescribes various rights and terms and conditions of employment for excluded employees, defined as certain supervisory, managerial, and confidential state employees, among other specified employees.

This bill would amend the bill of rights to make certain employees or nonelected officers, who elect to participate in the state annual leave program and who are eligible to receive Nonindustrial Disability Insurance benefits that provide $\frac{1}{2}$ pay, eligible for Nonindustrial Disability Insurance Family Care Leave benefits established by the bill.

(7) Existing federal law generally imposes taxes on employees and employers for the purpose of funding old-age, survivors, and disability insurance, commonly referred to as social security. Existing federal law authorizes states to enter into specified agreements with the federal government to extend social security coverage to employees of the state and its political subdivisions, as provided. California entered into such an agreement on March 9, 1951.

Existing law authorizes the Board of Administration of the Public Employees' Retirement System to administer the agreement between the state and the federal government to extend social security coverage to employees of the state and specified public agencies. Existing law authorizes the board to charge or assess a public agency, as defined, its share of specified costs incurred by the board in the administration of social security on behalf of the public agency. Existing law requires these charges and assessments, among other things, to be deposited into the Old Age and Survivors' Insurance Revolving Fund, a continuously appropriated fund. Existing law requires the board to add a penalty of 10% of a charge or assessment if the public agency's payment is delinquent for 90 days, as

provided, and requires the penalty to be credited as revenue to the General Fund.

This bill would increase the penalty for a delinquent charge or assessment to 50% of that charge or assessment and would impose an interest rate of 7% annually on unpaid charges, assessments, and penalties after 120 days. The bill would require the charges, assessments, penalties, and interest to be credited as revenue to the Old Age and Survivors' Insurance Revolving Fund for use by the board, upon appropriation by the Legislature, for administrative purposes. The bill would require the board to submit to the Department of Finance for approval revised charges or assessments if the cumulative revenue of the charges, assessments, penalties, and interest in the fund exceeds the approved program expenditures in any given year. The bill would also authorize the Controller to transfer funds from state agencies to the Old Age and Survivors' Insurance Revolving Fund when charges or assessments are levied on those agencies.

Existing law authorizes the board to advance employer and employee old-age, survivors, and disability insurance contributions required to be made to the federal government by public agencies, as provided, and requires the board to charge an interest rate of 6% annually on any such advances.

This bill would increase the interest rate charged on advances to 7%.

(8) The Public Employees' Medical and Hospital Care Act (PEMHCA), which is administered by the Board of Administration of the Public Employees' Retirement System, prescribes methods for calculating the state employer contribution for postemployment health care benefits for eligible retired public employees and their families and for the vesting of these benefits. PEMHCA establishes the Annuitants' Health Care Coverage Fund, which is continuously appropriated, for the purpose of prefunding health care coverage for annuitants, including administrative costs.

PEMHCA requires the employer contribution for each annuitant enrolled in a basic plan for health benefits to equal 80% of the weighted average of the health benefit plan premiums for an active employee enrolled for self-alone, during the benefit year to which the formula is applied, for the 4 health benefit plans with the largest state civil service enrollment. Existing law similarly provides that the employer contribution for an enrolled family member of an annuitant is an amount equal to 80% of the weighted average of the additional premiums required for enrollment of those family members during the benefit year to which the formula is applied and provides the same limit on employer contributions for annuitants enrolled in Medicare health benefit plans. Under existing law, these provisions apply to state employees represented by various bargaining units and judicial branch employees, as specified. Under existing law, if these provisions conflict with the provisions of a memorandum of understanding, the memorandum of understanding is controlling without further legislative action, except that if those provisions require the expenditure of funds, the provisions do not become effective unless approved by the Legislature.

This bill would extend these provisions to state employees that are not related to a state bargaining unit and who are excepted from the definition

of state employee, as specified, and to officers or employees of the executive branch of state government who are not members of the civil service and who first become employed by the state and become a member of the system on or after July 1, 2019. By authorizing expenditure of revenue in a continuously appropriated fund for a new purpose, the bill would make an appropriation.

(9) The California Secure Choice Retirement Savings Trust Act establishes the California Secure Choice Retirement Savings Investment Board and the California Secure Choice Retirement Savings Trust, which is continuously appropriated. Pursuant to the act, employees may participate in the CalSavers Retirement Savings Program, which is designed to promote retirement savings in a convenient, voluntary, and low-cost manner.

Existing law requires the Employment Development Department (EDD) to assess a penalty on any eligible employer that fails to make the program available to employees. Existing law makes these provisions operative 6 months after the board notifies the Director of Employment Development that the act will be implemented, based on specified factors. Existing law requires the EDD, upon receipt of notification from the board, to immediately post on its internet website a notice regarding the operative date.

This bill would instead make these provisions operative only when the board notifies the Director of Employment Development that enforcement should proceed and the board and the Director of Employment Development agree to a reasonable implementation timeline.

Existing law requires the board, before opening the CalSavers Retirement Savings Program for enrollment, to design and disseminate to employers through the EDD an employee information packet that includes background information on the program and disclosures. Existing law requires the employee information packet with the disclosure and opt-out forms to be available to employers through EDD and supplied to employees at the time of hiring.

This bill would instead require the board to design and disseminate to employers an employee information packet. The bill would also require the employee information packet with the disclosure and opt-out forms to be made available to eligible employees by the CalSavers Retirement Savings Program. By providing for the expenditure of funds in the Secure Choice Retirement Savings Trust by the board for a purpose that was previously the responsibility of EDD, the bill would make an appropriation.

Existing law establishes that information obtained in administering the Unemployment Insurance Law is confidential and for the exclusive use of the Director of Employment Development in discharging the director's duties. Existing law, however, requires the director to permit the use of information in the director's possession for specified purposes and allows the director to require reimbursement for direct costs incurred. Existing law provides that a person who knowingly accesses, uses, or discloses confidential information without authorization is guilty of a misdemeanor.

This bill would require the director to provide the California Secure Choice Retirement Savings Investment Board with employer tax information

for use in administering and facilitating compliance with the California Secure Choice Retirement Savings Trust Act. By expanding the crime related to unauthorized disclosure of confidential information, the bill would create a state-mandated local program.

(10) Existing law regulates employers and contractors that provide janitorial services and prescribes requirements in this regard, including that they register with the Labor Commissioner annually and keep certain records for three years, as specified. Existing law commits enforcement of these provisions with the Division of Labor Standards and requires the division to establish standards and requirements for sexual violence and harassment training to be provided to janitorial workers working for these employers and contractors. Existing law prohibits the division from registering or renewing a registration under certain circumstances and requires applications for registration and renewal of registration to complete sexual violence and harassment prevention training requirements. An employer or contractor who fails to register is subject to civil fines and a successor employer may be liable for wages and penalties of its predecessor under certain circumstances.

This bill would require that the sexual violence and harassment training requirement described above be consistent with training requirements established by the Department of Housing and Community Development. The bill revise the definition of an employer to clarify that it does not include an entity that is the recipient of janitorial services. The bill would require employers and contractors for janitorial services to keep accurate records for 3 years of the names, addresses, periods of work, and compensation paid to their workers. The bill would require that applications for registration and renewal of registration demonstrate completion of sexual violence and harassment prevention training by written attestation. The bill would broaden the circumstances under which the division is prohibited from registering or renewing a registration to include when an employer has failed to satisfy certain judgments and settlements. The bill would provide that a successor employer may be liable for damages of a predecessor employer. The bill would make other technical and conforming changes.

(11) Existing law, the Domestic Worker Bill of Rights, prohibits a domestic work employee, as defined, who is a personal attendant from being employed more than 9 hours in any workday or more than 45 hours in any workweek, unless the employee receives 1.5 times the employee's regular rate of pay for all hours worked over 9 hours in any workday and for all hours worked more than 45 hours in the workweek. Existing law defines "domestic work," "domestic work employee," and "domestic work employer" for these purposes. Existing law creates the Division of Labor Standards Enforcement within the Department of Industrial Relations.

This bill, until July 1, 2024, would require the Division of Labor Standards Enforcement, upon appropriation of funding for this purpose, to establish and maintain an outreach and education program for the purpose of promoting awareness of, and compliance with, labor protections that affect the domestic work industry and fair and dignified labor standards in this

industry and other low-wage industries. The bill would require the division to issue a competitive request to community-based organizations (CBOs) to provide education and outreach services in this connection and would prescribe requirements for these organizations. The CBOs would be responsible for developing and consulting with the division regarding the core education and outreach materials, as specified. The bill would require the division and CBOs to meet at least biannually to coordinate efforts around outreach, education and enforcement. The bill would prohibit the division from spending more than 5% of a budget allocation for administration of the program. The bill would appropriate \$5,000,000 from the General Fund to the division for these purposes, as specified. The bill would make a statement of legislative findings.

(12) Existing law authorizes the Occupational Safety and Health Standards Board to adopt, amend, or repeal occupational safety and health standards and orders. Existing law requires the Division of Occupational Safety and Health in the Department of Industrial Relations, known as Cal-OSHA, to propose to the board for its review and adoption, a standard that protects the health and safety of employees who engage in lead-related construction work and meets all requirements imposed by the federal Occupational Safety and Health Administration.

The bill would require Cal-OSHA to submit to the Occupational Safety and Health Standards Board a rulemaking proposal to revise the lead standards for purposes of general industry safety orders and construction safety orders, consistent with scientific research and findings. The bill would require the board to vote on the proposed changes by September 30, 2020.

(13) Existing unemployment compensation disability law requires workers to pay contribution rates based on, among other things, wages received in employment and benefit disbursement, for payment into the Unemployment Compensation Disability Fund (Disability Fund), a special fund in the State Treasury. That fund is continuously appropriated for the purpose of providing disability benefits and making payment of expenses in administering those provisions. Existing law requires, except as specified, the rate of worker contributions for each calendar year to be 1.45 times the amount disbursed from the Disability Fund during the 12-month period ending September 30 and immediately preceding the calendar year for which the rate is to be effective, less the amount in the Disability Fund on that September 30, with the resulting figure divided by total wages paid, as specified, during the same 12-month period, and then rounded to the nearest $\frac{1}{10}$ of 1 percent.

This bill, beginning July 1, 2019, would instead require the rate of worker contributions for calendar year 2020 and for each subsequent calendar year to be 1.30 times the amount disbursed from the Disability Fund during the 12-month period ending September 30 and immediately preceding the calendar year for which the rate is to be effective, less the amount in the Disability Fund on that September 30, with the resulting figure divided by total wages paid, as specified, during the same 12-month period, and then rounded to the nearest $\frac{1}{10}$ of 1 percent.

Existing law establishes, within the state disability insurance program, a family temporary disability insurance program, also known as the paid family leave program, for the provision of wage replacement benefits for up to 6 weeks to workers who take time off work to care for a seriously ill family member or to bond with a minor child within one year of birth or placement, as specified.

This bill, beginning July 1, 2020, would instead provide for wage replacement benefits for up to 8 weeks to workers who take time off work to care for a seriously ill family member or to bond with a minor child within one year of birth or placement, as specified. By authorizing an increase in disbursements from the Disability Fund, this bill would make an appropriation.

Existing public contracts law requires the Department of General Services to approve certain contracts entered into by a state agency, including contracts for acquisition of goods and services and the construction, alteration, improvement, repair, or maintenance of a property. Existing public contracts law requires all contracts for the acquisition of information technology goods and services related to information technology projects, as defined, to be made by or under the supervision of the Department of Technology.

This bill would authorize the Director of Employment Development to enter into contracts that implement the requirements of this bill related to the family temporary disability insurance program. The bill would provide that any service contracts entered into by the Director of Employment Development pursuant to that authorization be exempt from any requirements imposed pursuant to public contracts law, and is not subject to review or approval by the Department of General Services. The bill would also exempt any information technology projects undertaken by the Employment Development Department to implement the requirements of this bill related to the family temporary disability insurance program from the Project Approval Lifecycle requirements administered by the Department of Technology pursuant to existing public contracts law, as specified.

(14) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(15) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 3539.6 is added to the Government Code, to read:
3539.6. Notwithstanding any other law, an employee excluded from the definition of “state employee” in subdivision (c) of Section 3513 or a

nonelected officer of the executive branch exempt from civil service eligible for managerial benefits, who elects to participate in the annual leave program and who is eligible to receive Nonindustrial Disability Insurance benefits pursuant to Section 19879.1, shall also be eligible for Nonindustrial Disability Insurance Family Care Leave under that section.

SEC. 2. Section 12472.5 of the Government Code is repealed.

SEC. 3. Section 13302 of the Government Code is amended to read:

13302. The accounting system devised as provided in Section 13300 shall provide, with respect to the General Fund and other governmental funds, for all of the following:

(a) The accrual of expenditures as of the end of each fiscal year on the basis of payables incurred, excluding accrued interest on general obligation bonded indebtedness.

(b) (1) The accrual of revenues at the end of the fiscal year if the underlying transaction has occurred as of the last day of the fiscal year, the amount is measurable, and the actual collection will occur either during the current period or after the end of the current period but in time to pay current year-end liabilities.

(2) Cash in agency trust accounts within the centralized State Treasury system that is in transit to the State Treasury, accrued interest receivable, and accounts receivable shall be accrued as of the end of each fiscal year.

(c) For the purposes of financial reporting, both of the following shall apply:

(1) A payable exists when goods or services have been delivered and the state is required to pay for those goods or services, and an encumbrance exists when a valid obligation against an appropriation has been created.

(2) All funds appropriated shall be identified as either expended, payable, encumbered (exclusive of payables), or unencumbered, as further defined by the California Fiscal Advisory Board, and the total of these shall equal the total appropriation.

SEC. 4. Section 18930.5 of the Government Code is amended to read:

18930.5. (a) The department may designate an appointing power to design, announce, or administer examinations for the establishment of employment lists in accordance with Section 18654 and board rule. No later than January 1, 1987, the board shall authorize or assess the ability of appointing powers to design, announce, or administer designated examinations for the establishment of employment lists. The board may audit examinations and order corrective action or nullify any examination or parts thereof which have been conducted improperly.

(b) A designated appointing power may contract with the department or another designated appointing power for the purpose of designing, publicizing, or administering an examination. The department shall charge designated appointing powers an amount sufficient to recover the costs to the department of these services and, pursuant to Section 11255, the Controller shall transfer to the department any moneys owed to the department by any designated appointing power for charges due under this subdivision.

SEC. 5. Section 19792 of the Government Code is amended to read:
19792. The department shall do all of the following:

(a) Provide statewide leadership, designed to achieve equal employment opportunity in the state civil service.

(b) Develop, implement, and maintain equal employment opportunity guidelines.

(c) Provide technical assistance to state agencies in the development and implementation of their equal employment opportunity programs.

(d) Review and evaluate departmental equal employment opportunity programs to ensure that they comply with state and federal statutes and regulations.

(e) Establish programs to ensure equal employment opportunity for all state job applicants and employees through broad, inclusive recruitment efforts and other measures as allowed by law.

(f) Provide statewide training to departmental equal employment opportunity officers who will conduct training on equal employment opportunity.

(g) Review, examine the validity of, and update qualifications standards, selection devices, including oral appraisal panels and veterans preference systems, and career advancement programs.

(h) Maintain a statistical information system designed to yield the data and the analysis necessary for the evaluation of equal employment opportunity within the state civil service. The statistical information shall include specific data to determine the underutilization of groups based on race, ethnicity, gender, disability, and veteran status. The statistical information shall be made available during normal working hours to all interested persons. Data generated on a regular basis shall include, but not be limited to, all of the following:

(1) Current state civil service workforce composition by race, ethnicity, gender, age, veteran status, department, salary level, occupation, and attrition rates by occupation.

(2) Current local and regional workforce and population data for groups based on race, ethnicity, gender, and age.

(i) The data analysis referred to in subdivision (h) above shall include, but not be limited to, all of the following:

(1) Data relating to the utilization of groups based on race, ethnicity, and gender compared to their availability in the relevant labor force.

(2) Turnover data by department and occupation.

(3) Data relating to salary administration, including average salaries for groups based on race, ethnicity, gender, and disability and comparisons of salaries within state service and comparable state employment.

(4) Data on employee age, and salary level compared among groups based on race, ethnicity, gender, and disability.

(5) Data on the number of individuals of each race, ethnicity, gender, and disability who are recruited for, participate in, and pass state civil service examinations. This data shall be analyzed pursuant to Sections 19704 and 19705.

(6) Data on the job classifications, geographic locations, separations, salaries, and other conditions of employment that provide additional information about the composition of the state civil service workforce.

(j) The data analysis referred to in subdivision (h) shall also include, but not be limited to, all of the following pertaining to veteran status:

(1) Data relating to the utilization of veterans compared to their availability in the relevant labor force.

(2) Separation data by department and major occupational groups.

(3) Data relating to salary administration, including average salaries for veterans and comparisons of salaries within state service and comparable state employment.

(4) Data on employee age, and salary level compared among groups based on veteran status.

(5) Data on the number of veterans who participate in and pass state civil service examinations. This data shall be analyzed pursuant to Sections 19704 and 19705.

(6) Data on the recruitment efforts, major occupational groups, geographic locations, separations, salaries, and other conditions of employment that provide additional information about veterans in the state civil service workforce.

(k) (1) Establish and maintain a tracking system that shall enable the collection of discrimination and harassment complaint data across state agencies as prescribed by the department.

(2) The department shall charge state agencies an amount sufficient to recover the costs to the department of maintenance and support of the system and, pursuant to Section 11255, the Controller shall transfer to the department any moneys owed to the department by any state agency for charges due under this section.

SEC. 6. Section 19803 of the Government Code is amended to read:

19803. (a) The Department of Human Resources shall administer the merit system for employees engaged in administering programs under Section 19800 in a local agency not administering its own merit system approved under this chapter. The Department of Human Resources may delegate any of its duties under this article to a state department or agency. This may include, but is not limited to, recruitment, examination, certification, appointment and other transactions, position classification, compensation standards, and disciplinary actions. As part of such administration, the Department of Human Resources shall hear and decide appeals of any applicant for employment or officer or employee from the decision of a local agency affecting the employment rights of those persons. Any decision rendered in such an appeal shall be binding upon the local agency.

(b) The Department of Human Resources may bill the state departments having responsibility for the overall administration of grant-in-aid programs for the costs incurred in conducting hearings involving employees of local agencies not administering their own merit systems pursuant to this chapter. Pursuant to Section 11255, the Controller shall transfer to the Department

of Human Resources any moneys owed to that department by any state department for charges due under this subdivision.

SEC. 7. Section 19809 of the Government Code is amended to read:

19809. State departments having responsibility for the overall administration of grant-in-aid programs under Section 19800 shall reimburse the Department of Human Resources for all costs incurred by that department in administering this chapter. The Department of Human Resources may equitably prorate those costs among the state departments. Pursuant to Section 11255, the Controller shall transfer to the Department of Human Resources any moneys owed to the department by any state department for charges due under this section.

SEC. 8. Section 19815.6 of the Government Code is amended to read:

19815.6. (a) Notwithstanding Sections 11042 and 11043, the chief counsel shall represent the department in all legal matters in which the department is interested, before any administrative agency or court of law.

(b) The department may charge state agencies and departments for the actual and necessary costs of legal services rendered by the legal division in unfair practice cases, representation cases, and requests for injunctive relief arising pursuant to Chapter 10.3 (commencing with Section 3512) of Division 4 of Title 1, in grievance arbitration cases arising under negotiated memoranda of understanding, and in all labor law and personnel matters.

(c) In grievance arbitration cases arising pursuant to memoranda of understanding negotiated pursuant to Sections 3517 and 3517.5, the department may charge state agencies involved for the actual and necessary costs of arbitration, including the state's share of the arbitrator's fees, transcription fees, and other related costs.

(d) The department may charge state agencies for their pro rata share of the actual and necessary costs of negotiating and administering memoranda of understanding pursuant to Sections 3517 and 3517.5.

(e) Pursuant to Section 11255, the Controller shall transfer to the department any moneys owed to the department by any state agency for charges due under this section.

SEC. 9. Section 19878 of the Government Code is amended to read:

19878. (a) As used in this article:

(1) "Appeals board" means the California Unemployment Insurance Appeals Board.

(2) "Disability" or "disabled" includes mental or physical illness and mental or physical injury, including any illness or injury resulting from pregnancy, childbirth, or related medical condition. An employee is deemed disabled on any day in which, because of the employee's physical, mental, or medical condition, the employee is unable to perform their regular or customary work.

(3) "Disability benefit period," with respect to any individual, means the continuous period of disability beginning with the first day with respect to which the individual files a valid claim for nonindustrial disability benefits or Nonindustrial Disability Insurance Family Care Leave benefits. For the purposes of this article, two consecutive periods of disability due to the

same or related cause or condition and separated by a period of not more than 14 days shall be considered as one disability benefit period.

(4) “Employee” means any of the following:

(A) A permanent or probationary full-time state officer or employee, regardless of period of service, who is a member of the Public Employees’ Retirement System or the State Teachers’ Retirement System in compensated employment on and after October 1, 1976. Commencing January 1, 1979, it also means a full-time state officer or employee, whether or not a member of such systems, who is an employee of the Legislature and is not a member of the civil service.

(B) A permanent or probationary part-time or intermittent state officer or employee, with at least the equivalent of six monthly compensated pay periods of service in the 18 months of pay periods immediately preceding the pay period in which the disability begins, who is a member of the Public Employees’ Retirement System or the State Teachers’ Retirement System, in compensated employment on or after January 1, 1979, or a part-time or intermittent employee of the Legislature, whether or not a member of the Public Employees’ Retirement System, in compensated employment on or after January 1, 1984.

(5) “Full pay” means the gross base salary earnable by the employee, and subject to retirement contribution on the date of the commencement of the employee’s disability.

(6) “Nonindustrial Disability Insurance Family Care Leave” has the same meaning as “family care leave” as defined in Section 3302 of the Unemployment Insurance Code. The definitions of terms in Section 3302 of the Unemployment Insurance Code that are relevant for purposes of the definition of “family care leave” in that section shall also apply. Commencing January 1, 2021, “Nonindustrial Disability Insurance Family Care Leave” shall also include for these purposes qualifying exigency leave as described in Section 3302.2 of the Unemployment Insurance Code.

(7) “Nonindustrial Disability Insurance Family Care Leave benefits” or “Family Care Leave benefits” means benefits authorized by Section 19878.5.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 10. Section 19878.5 is added to the Government Code, to read:

19878.5. For purposes of this article relating to Nonindustrial Disability Insurance Family Care Leave, an “eligible employee” is an employee excluded from the definition of “state employee” in subdivision (c) of Section 3513 or a nonelected officer of the executive branch exempt from civil service and eligible for managerial benefits, who has enrolled in the annual leave program under Article 2.5 (commencing with Section 19858.3). An eligible employee shall be entitled to receive up to six weeks of benefits

during a 12-month period for Nonindustrial Disability Insurance Family Care Leave in accordance with this article.

SEC. 11. Section 19879.1 of the Government Code is amended to read:

19879.1. (a) For the purpose of this section relating to nonindustrial disability leave benefits, an eligible employee is an employee defined by Section 19858.3.

(b) Notwithstanding any other provision of this article, an eligible employee who has enrolled in the annual leave program under Article 2.5 (commencing with Section 19858.3) shall receive nonindustrial disability leave benefits or Family Care Leave benefits under this article in accordance with all of the following:

(1) A disabled employee shall be eligible to receive Nonindustrial Disability Insurance benefits in an amount equal to one-half full pay, 50 percent of gross salary. An employee covered by Section 19878.5 shall be eligible to receive Nonindustrial Disability Insurance Family Care Leave benefits in an amount equal to one-half full pay, 50 percent of gross salary.

(2) A disabled employee or an employee covered by Section 19878.5 shall be eligible to receive benefits described in paragraph (1) without being required to use any sick leave accrued under Article 3 (commencing with Section 19859) or annual leave accrued under Article 2.5 (commencing with Section 19858.3) unless the employee, in the employee's sole discretion, elects to use sick leave or annual leave in lieu of receiving benefits.

(3) If the employee elects to use sick leave or annual leave credits prior to receiving payments, the employee shall not be required to exhaust the accrued leave balance.

(4) Following the start of payments, an employee may at any time change from the receipt of payments to the utilization of sick leave or annual leave. Once this election is made, the employee shall not recommence receiving payments until that leave is exhausted.

(5) In accordance with the state's return to work policy, a disabled employee who is eligible to receive Nonindustrial Disability Insurance benefits and who is medically certified as unable to return to the employee's full-time work during the period of their disability, may, with medical approval, and at the discretion of the employee's appointing power, work up to the number of hours, in hour increments, which when combined with the employee's Nonindustrial Disability Insurance benefits will result in a salary that does not exceed 100 percent of their regular full pay.

(6) If a disabled employee refuses to return to work in a position offered by the employer under the state's Injured State Worker Assistance Program, Nonindustrial Disability Insurance benefits shall be terminated effective as of the date of the offer.

(7) An employee, with their department head's approval, may elect to supplement benefits described in paragraph (1) with sick or annual leave up to 100 percent of their regular full pay.

SEC. 12. Section 19880 of the Government Code is amended to read:

19880. (a) A disabled employee or an employee covered by Section 19878.5 is eligible to receive nonindustrial disability benefits or Family

Care Leave benefits, as applicable, under this article, equal to one-seventh of the employee's weekly benefit amount specified in Section 19879 for each full day during which the employee is unemployed due to their own disability, or due to Nonindustrial Disability Insurance Family Care Leave, only if the Director of Employment Development finds that:

(1) The employee has made a claim for benefits as required by authorized regulations.

(2) A disabled employee has been disabled for a waiting period of seven consecutive days during each disability benefit period, with respect to which waiting period no benefits under this article are payable, except for confinement in a hospital or nursing home for at least one day.

(3) The employee has exhausted all the leave to which the employee was entitled under Article 3 (commencing with Section 19859). A person who elects to use vacation credits or sick leave credits prior to receiving nonindustrial disability benefits is not required to exhaust the leave, as described in this subdivision, if the person is a permanent employee who meets any of the following criteria:

(A) Is excluded from the definition of state employee contained in subdivision (c) of Section 3513.

(B) Is a nonelected officer or employee of the executive branch of state government and is not a member of the civil service.

(4) Except for an individual described in Section 2709 of the Unemployment Insurance Code, a disabled individual has submitted to any reasonable examinations as the Director of Employment Development may require for the purpose of determining benefit eligibility.

(5) A disabled person has filed a certificate described in Section 2708 or 2709 of the Unemployment Insurance Code.

(6) Except as otherwise provided, a disabled person meets, in all other respects, the eligibility requirements imposed on individuals by Part 2 (commencing with Section 2601) of Division 1 of the Unemployment Insurance Code for receipt of unemployment compensation disability benefits.

(b) In case of any conflict between Part 2 (commencing with Section 2601) of the Unemployment Insurance Code and this chapter, this chapter shall prevail.

(c) If the provisions of this section conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 13. Section 19881 of the Government Code is amended to read:

19881. (a) An employee is not eligible for disability benefits or Family Care Leave benefits under this article with respect to any period for which the Director of Employment Development finds that the employee has received or is entitled to receive unemployment compensation benefits under Part 1 (commencing with Section 100) of Division 1 of the Unemployment

Insurance Code or under an unemployment compensation act of any other state or of the federal government.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 14. Section 19882 of the Government Code is amended to read:

19882. (a) Except as provided in this section, an individual is not eligible for disability benefits or Family Care Leave benefits under this article for any day of unemployment and disability or family temporary disability insurance for which the individual has received, or is entitled to receive, “other benefits” in the form of cash payments.

(b) “Other benefits” as used in this section means:

(1) Temporary disability indemnity under a workers’ compensation law of this state or of any other state or of the federal government or under Article 4 (commencing with Section 19869) of this part.

(2) Temporary disability benefits under any employer’s liability law of this state or of any other state or of the federal government.

(c) If such “other benefits” are less than the amount an individual would otherwise receive as disability benefits under this article, they shall be entitled to receive, for such day, if otherwise eligible, disability benefits under this article reduced by the amount of such “other benefits.” If after receipt of, or determination of entitlement to receive, such other benefits, a claim for disability benefits under this article is filed during the same continuous period of disability, because of a disability for which a claim for such other benefits was made, the maximum amount of disability benefits payable under this article during the disability benefit period thereby established shall be reduced by the amount of such “other benefits” which the claimant has received or has been determined to be entitled to receive.

(d) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 15. Section 19883 of the Government Code is amended to read:

19883. (a) (1) Discretionary deductions of the employee, including those for coverage under a state health benefits plan in which the employee is enrolled, shall be deducted from the disability benefits or Family Care Leave benefits under this article unless canceled by the employee. If an employee deduction under a state health benefits plan is continued, the state employer contribution shall also continue.

(2) An employee shall not receive service credit under the Public Employees’ Retirement System or the State Teachers’ Retirement System during the period of receipt of disability benefits under this article and

contributions to the Public Employees' Retirement System or the State Teachers' Retirement System shall not be deducted. State employer contributions shall also not be made to either system during such period.

(3) An employee shall not accrue sick leave or vacation credit or service credit for any other purpose during the period of receipt of disability benefits under this article, except, when provided by a rule or regulation adopted by the department, an employee receiving those benefits pursuant to Section 19879.1 may accrue these credits to the extent that annual leave or sick leave credits are used to supplement those benefits.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 16. Section 19884 of the Government Code is amended to read:

19884. (a) (1) Filing, determination, and payment of disability benefit claims under this article shall be made in accordance with the procedures prescribed by Article 4 (commencing with Section 2701) of Chapter 2 of Part 2 of Division 1 of the Unemployment Insurance Code.

(2) Filing, determination, and payment of claims for Family Care Leave benefit claims under this article shall be made in accordance with the same qualifying conditions set forth in subdivision (a) of Section 3301 of the Unemployment Insurance Code. Notwithstanding specified dates, all relevant definitions and provisions in Sections 2708 and 2709, Sections 3302 to 3304, inclusive, and Sections 3306 and 3307 of the Unemployment Insurance Code, and Chapter 2.4 (commencing with Section 2781) of Part 2 of Division 1 of the Unemployment Insurance Code, shall also apply.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 17. Section 19995.1.5 of the Government Code is amended to read:

19995.1.5. (a) The department may provide training programs to any public employee or officer so that the quality of service rendered by those persons may be continually improved. For purposes of this subdivision, "public employee or officer" means any employee or officer of any of the following:

- (1) The state, regardless of whether the employee or officer is subject to state civil service.
- (2) A city.
- (3) A county.
- (4) A special district, or any other political subdivision of the state.
- (5) The California State University.

- (6) The University of California.
- (7) The Legislature.
- (8) The judicial branch.
- (9) The federal government.

(b) The department may give priority registration for enrollment in training programs described in subdivision (a) to state employees and officers.

(c) The department, at its discretion, may exclude any public employee or officer from a training program described in subdivision (a) based on the appropriateness of the subject matter for those public employees or officers.

(d) Notwithstanding Section 18707, the department may collect registration fees from the employee's or officer's employing entity for attendance in a training program described in subdivision (a) without entering into a written agreement with that employing entity or seeking the approval of the Department of General Services. Pursuant to Section 11255, the Controller shall transfer to the department any moneys owed to the department by an employing entity that is a state agency for charges due under this subdivision.

SEC. 18. Section 22551 of the Government Code is amended to read:

22551. (a) The board may charge or assess a public agency, and the public agency shall pay and reimburse the state at the times and in the amounts as the board may determine, the public agency's proportionate share of all costs incurred by the state in the administration of the federal system as it affects the public agency and its employees. The charges and assessments may differ from public agency to public agency. The charges or assessments shall be determined by the board in a manner approved by the Department of Finance and may be charged or assessed either in arrears or on the basis of anticipated costs not to exceed one year in advance.

(b) A penalty of 50 percent of the amount charged or assessed shall be added to each charge or assessment that is delinquent 90 days after a notice of the charge or assessment was mailed by the board. The total amount of the charge, assessment, and penalty that remains unpaid after 120 days shall accrue interest at the rate of 7 percent per annum. The charges, assessments, penalties, and interest collected shall be paid into the Treasury and credited as revenue to the Old Age and Survivors' Insurance Revolving Fund for use by the board upon appropriation by the Legislature pursuant to subdivision (b) of Section 22600.

(c) For charges and assessments levied on state departments and agencies pursuant to this section, the Controller shall transfer funds from those departments and agencies into the Old Age and Survivors' Insurance Revolving Fund based on a schedule provided by the board and approved by the Department of Finance.

SEC. 19. Section 22555 of the Government Code is amended to read:

22555. Every public agency included in the agreement shall upon written request of the board pay to the board moneys that the state may be obligated to pay or forfeit to the federal government by reason of any failure on the part of any public agency for any cause or reason to pay contributions,

interest, penalties, or other amounts required by the agreement and federal regulations adopted at the time and in amounts as required by the agreement or federal regulations. The board, in lieu of collection from the public agency, may offset any sum that does not exceed one dollar (\$1) from excess moneys in the Old Age and Survivors' Insurance Revolving Fund that are subject to transfer between the fund and the appropriation available for support of the board as provided in Section 22603.

SEC. 20. Section 22556 of the Government Code is amended to read:

22556. A public agency on whose behalf the board has made advances of money pursuant to Section 22601 shall reimburse the state the amount of the advances, with interest at the rate of 7 percent per annum from the time of the advance, unless the amount of interest, if charged, would be less than one dollar (\$1). The interest when collected shall be paid into the Treasury and credited as revenue to the General Fund.

SEC. 21. Section 22560 of the Government Code is amended to read:

22560. (a) The board may charge or assess each public agency as defined in Section 22009.03 and each public agency shall pay and reimburse the state at the times and in the amounts as the board may determine, the approximate cost to the state, of any work, services, equipment, and other administrative costs relating to a division under Article 2.5 (commencing with Section 22150) of Chapter 1 or the referendum provided by Article 2 (commencing with Section 22300) of Chapter 2 and requested by the agency. The charges may differ from public agency to public agency.

(b) A penalty of 50 percent of the amount charged or assessed shall be added to each charge or assessment that is delinquent 90 days after a notice of the charge or assessment was mailed by the board. The total amount of the charge, assessment, and penalty that remains unpaid after 120 days shall accrue interest at the rate of 7 percent per annum. The charges, assessments, penalties, and interest collected shall be paid into the Treasury and credited as revenue to the Old Age and Survivors' Insurance Revolving Fund for use by the board upon appropriation by the Legislature pursuant to subdivision (b) of Section 22600.

SEC. 22. Section 22600 of the Government Code is amended to read:

22600. (a) The Old Age and Survivors' Insurance Revolving Fund is continued in existence. Notwithstanding Section 13340, all money in the fund is appropriated without regard to fiscal years to the board to carry out the provisions of paragraphs (2) to (5), inclusive, of Section 22601.

(b) The moneys in the fund and the charges, assessments, penalties, and interest collected and deposited in the fund, pursuant to Sections 22551, 22552, and 22560, shall only be expended by the board upon appropriation by the Legislature and for administrative purposes as authorized in paragraph (1) of Section 22601.

(c) In any fiscal year, if the cumulative revenue maintained or held in the Old Age and Survivors' Insurance Revolving Fund pursuant to subdivision (b) exceeds 100 percent of program expenditures, as appropriated by the Legislature, the board shall submit revised charges or assessments

for approval by the Department of Finance to ensure the charges or assessments do not result in excess fund reserve levels.

SEC. 23. Section 22602 of the Government Code is amended to read:

22602. With the exception of penalties and interest collected pursuant to Section 22556, and except as provided in subdivision (b) of Section 22600, moneys received by the board from public agencies under the provisions of this part may be deposited in the Old Age and Survivors' Insurance Revolving Fund.

SEC. 24. Section 22871.3 of the Government Code is amended to read:

22871.3. (a) The employer contribution for each annuitant enrolled in a basic plan shall be an amount equal to 80 percent of the weighted average of the health benefit plan premiums for an employee or annuitant enrolled for self-alone, during the benefit year to which the formula is applied, for the four health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year. For each annuitant with enrolled family members, the employer contribution shall be an amount equal to 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four health benefit plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year.

(b) The employer contribution for each annuitant enrolled in a Medicare health benefit plan in accordance with Section 22844 shall be an amount equal to 80 percent of the weighted average of the health benefit plan premiums for an annuitant enrolled in a Medicare health benefit plan for self-alone, during the benefit year to which the formula is applied, for the four Medicare health benefit plans that had the largest state annuitant enrollment, excluding family members, during the previous benefit year. For each annuitant with enrolled family members, the employer contribution shall be an amount equal to 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four Medicare health benefit plans that had the largest state annuitant enrollment, excluding family members, during the previous benefit year. If the annuitant is eligible for Medicare Part A, with or without cost, and Medicare Part B, regardless of whether the annuitant is actually enrolled in Medicare Part A or Part B, the employer contribution shall not exceed the amount calculated under this subdivision.

(c) This section applies to:

(1) A state employee who is first employed by the state and becomes a state member of the system on or after January 1, 2016, and who is represented by State Bargaining Unit 9 or 10.

(2) A state employee related to State Bargaining Unit 9 or 10 who is excepted from the definition of "state employee" in subdivision (c) of Section 3513 and first employed by the state and becomes a state member of the system on or after January 1, 2016.

(3) A state employee represented by State Bargaining Unit 1, 2, 3, 4, 6, 7, 8, 11, 12, 13, 14, 15, 17, 18, 19, 20, or 21 who is first employed by the state and becomes a state member of the system on or after January 1, 2017.

(4) A state employee related to State Bargaining Unit 1, 2, 3, 4, 6, 7, 8, 11, 12, 13, 14, 15, 17, 18, 19, 20, or 21 who is excepted from the definition of “state employee” in subdivision (c) of Section 3513 and first employed by the state and becomes a state member of the system on or after January 1, 2017.

(5) A judicial branch employee who is first employed by the state and becomes a state member of the system on or after January 1, 2017. This paragraph does not apply to a judge who is subject to Chapter 11 (commencing with Section 75000) or Chapter 11.5 (commencing with Section 75500) of Title 8.

(6) A state employee represented by State Bargaining Unit 16 who is first employed by the state and becomes a state member of the system on or after April 1, 2017.

(7) A state employee related to State Bargaining Unit 16 who is excepted from the definition of “state employee” in subdivision (c) of Section 3513 and first employed by the state and becomes a state member of the system on or after April 1, 2017.

(8) A state employee that is not related to any state bargaining unit, who is excepted from the definition of “state employee” in subdivision (c) of Section 3513 and is first employed by the state and becomes a state member of the system on or after July 1, 2019.

(9) An officer or employee of the executive branch of state government who is not a member of the civil service and first employed by the state and becomes a state member of the system on or after July 1, 2019.

(d) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5 or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions require the expenditure of funds, the provisions may not become effective unless approved by the Legislature.

SEC. 25. Section 100014 of the Government Code is amended to read:

100014. (a) Prior to opening the CalSavers Retirement Savings Program for enrollment, the board shall design and disseminate to employers an employee information packet that shall be available in an electronic format. The packet shall include background information on the program and appropriate disclosures for employees.

(b) The disclosure form shall include, but not be limited to, all of the following:

(1) The benefits and risks associated with making contributions to the program.

(2) The mechanics of how to make contributions to the program.

(3) How to opt out of the program.

(4) The process for withdrawal of retirement savings.

(5) How to obtain additional information on the program.

(c) In addition, the disclosure form shall clearly articulate the following:

(1) Employees seeking financial advice should contact financial advisors, that employers do not provide financial advice, that employees are not to contact their employers for financial advice, and that employers are not liable for decisions employees make pursuant to Section 100034.

(2) This retirement program is not sponsored by the employer, and therefore the employer is not responsible for the plan or liable as a plan sponsor.

(3) The program fund is not guaranteed by the State of California.

(d) The disclosure form shall include a method for the employee to acknowledge that the employee has read all of the disclosures and understands their content.

(e) The employee information packet shall also include an opt-out form for an eligible employee to note their decision to opt out of participation in the program. The opt-out notation shall be simple and concise and drafted in a manner that the board deems necessary to appropriately evidence the employee's understanding that they are choosing not to automatically deduct earnings to save for retirement.

(f) The employee information packet with the disclosure and opt-out forms shall be made available to eligible employees by the CalSavers Retirement Savings Program and supplied to employees at the time of hiring. All new employees shall review the packet and acknowledge having received it.

(g) The employee information packet with the disclosure and opt-out forms shall be supplied to existing employees when the program is initially launched for that participating employer pursuant to Section 100032.

SEC. 26. Section 1420 of the Labor Code is amended to read:

1420. For purposes of this part:

(a) (1) "Covered worker" means a janitor, including any individual predominantly working, whether as an employee, independent contractor, or franchisee, as a janitor, as that term is defined in the Service Contract Act Directory of Occupations maintained by the United States Department of Labor.

(2) "Covered worker" does not include any individual whose work duties are predominantly final cleanup of debris, grounds, and buildings near the completion of a construction, alteration, demolition, installation, or repair work project, including, but not limited to, street cleaners.

(b) "Current and valid registration" means an active registration pursuant to this part that is not expired or revoked.

(c) "Department" means the Department of Industrial Relations.

(d) "Director" means the Director of Industrial Relations.

(e) (1) "Employer" means any person or entity that employs at least one covered worker or otherwise engages by contract, subcontract, or franchise agreement for the provision of janitorial services by and one or more covered workers. The term "employer" includes the term "covered successor employer," but does not include an entity that is the recipient of the janitorial services.

(2) “Covered successor employer” means an employer who meets one or more of the following criteria:

(A) Uses substantially the same equipment, supervisors, and workforce to offer substantially the same services to substantially the same clients as a predecessor employer, unless the employer maintains the same workforce pursuant to Chapter 4.5 (commencing with Section 1060) of Part 3. In addition, an employer who has operated with a current and valid registration for at least the preceding three years shall not be considered a covered successor employer for using substantially the same equipment, supervisors, and workforce to substantially the same clients, if all of the following apply:

(i) The individuals in the workforce were not referred or supplied for employment by the predecessor employer to the successor employer.

(ii) The successor employer has not had any interest in, or connection with, the operation, ownership, management, or control of the business of the predecessor employer within the preceding three years.

(B) Shares in the ownership, management, control of the workforce, or interrelations of business operations with the predecessor employer.

(C) Is an immediate family member of any owner, partner, officer, licensee, or director of the predecessor employer or of any person who had a financial interest in the predecessor employer. “Immediate family member” means a spouse, parent, sibling, son, daughter, uncle, aunt, niece, nephew, grandparent, grandson, granddaughter, mother-in-law, father-in-law, brother-in-law, sister-in-law, or cousin.

(f) “Commissioner” means the Labor Commissioner of the Division of Labor Standards Enforcement of the department.

(g) “Supervisor” has the same meaning as in subdivision (t) of Section 12926 of the Government Code.

SEC. 27. Section 1421 of the Labor Code is amended to read:

1421. Every employer shall keep accurate records for three years, showing all of the following:

(a) The names and addresses of all employees engaged in rendering actual services for any business of the employer.

(b) The hours worked daily by each employee, including the times the employee begins and ends each work period.

(c) The wage and wage rate paid each payroll period.

(d) The age of all minor employees.

(e) Any other conditions of employment.

(f) The names, addresses, periods of work, and compensation paid to all other covered workers.

SEC. 28. Section 1428 of the Labor Code is amended to read:

1428. An employer shall not conduct any janitorial business without complying with the registration requirements of this part. The commissioner may revoke a registration if the commissioner finds an employer to be out of compliance with any requirement of this part or to have failed to satisfy any of the conditions of Section 1429.

SEC. 29. Section 1429 of the Labor Code is amended to read:

1429. The Division of Labor Standards Enforcement shall not approve the registration of any employer until all of the following conditions are satisfied:

(a) The employer has executed a written application, in a form prescribed by the commissioner and subscribed and sworn to by the employer containing the following:

(1) The name of the business entity and, if applicable, its fictitious or “doing business as” name.

(2) The form of the business entity and, if a corporation, all of the following:

(A) The date of incorporation.

(B) The state in which incorporated.

(C) If a foreign corporation, the date the articles of incorporation were filed with the California Secretary of State.

(D) Whether the corporation is in good standing with the California Secretary of State.

(3) The federal employer identification number (FEIN) and the state employer identification number (SEIN) of the business.

(4) The address of the business and the telephone number and, if applicable, the addresses and telephone numbers of any branch locations.

(5) Whether the application is for a new or renewal registration and, if the application is for a renewal, the prior registration number.

(6) The names, residential addresses, telephone numbers, and social security or taxpayer identification numbers of the following persons:

(A) All corporate officers, if the business entity is a corporation.

(B) All persons exercising management responsibility in the applicant’s office, regardless of form of business entity.

(C) All persons, except bona fide employees on regular salaries, who have a financial interest of 10 percent or more in the business, regardless of the form of business entity, and the actual percent owned by each of those persons.

(7) The policy number, effective date, expiration date, and name and address of the carrier of the applicant business’ current workers’ compensation coverage.

(8) (A) Whether the employer and any persons named in response to subparagraph (A), (B), or (C) of paragraph (6) presently:

(i) Owe any unpaid wages.

(ii) Have unpaid judgments outstanding.

(iii) Have any liens or suits pending in court against them.

(iv) Owe payroll taxes, or personal, partnership, or corporate income taxes, Social Security taxes, or disability insurance.

(B) An applicant who answers affirmatively to any item described in subparagraph (A) shall provide, as part of the application, additional information on the unpaid amounts, including the name and address of the party owed, the amount owed, and any existing payment arrangements.

(9) (A) Whether the employer and any persons named in response to subparagraph (A), (B), or (C) of paragraph (6) have ever been cited or assessed any penalty for violating any provision of this code.

(B) An applicant who answers affirmatively to any item described in subparagraph (A) shall provide additional information, as part of the application, on the date, nature of citation, amount of penalties assessed for each citation, and the disposition of the citation, if any. The application shall describe any appeal filed. If the citation was not appealed, or if it was upheld on appeal, the applicant shall state whether the penalty assessment was paid.

(10) Effective January 1, 2020, all new applications for registration and renewal of registration shall demonstrate completion of the sexual violence and harassment prevention training requirements prescribed by the division and developed pursuant to Section 1429.5 by providing a written attestation to the commissioner that this training has been provided as required.

(11) Such other information as the commissioner requires for the administration and enforcement of this part.

(b) The employer has paid a registration fee to the Division of Labor Standards Enforcement pursuant to Section 1427.

(c) Notwithstanding any other law, violation of this section shall not be a crime.

SEC. 30. Section 1429.5 of the Labor Code is amended to read:

1429.5. The Division of Labor Standards Enforcement shall establish a biennial in-person sexual violence and harassment prevention training requirement for workers and employers covered by this part by January 1, 2019. The training shall be consistent with the training requirements of Section 12950.1 of the Government Code and subsequent amendments to those requirements. To assist in developing these standards, the director shall convene an advisory committee to recommend requirements for a sexual harassment prevention training program. The advisory committee shall be composed of representatives of the Division of Labor Standards Enforcement, the Division of Occupational Safety and Health, and the Department of Fair Employment and Housing, and shall also include representatives from a recognized or certified collective bargaining agent that represents janitorial workers, employers, labor-management groups in the janitorial industry, sexual assault victims advocacy groups, and other related subject matter experts. The director shall convene the advisory committee no later than July 1, 2017. The advisory committee shall consider the requirements of Section 12950.1 of the Government Code when developing the recommended standard. The Division of Labor Standards Enforcement shall propose the requirements for the sexual violence and harassment prevention training requirement no later than January 1, 2018.

SEC. 31. Section 1430 of the Labor Code is amended to read:

1430. The Division of Labor Standards Enforcement shall not register or renew the registration of an employer in any of the following circumstances:

(a) The employer has not fully satisfied any final judgment for unpaid wages due to an employee or former employee of a business for which the employer is required to register under this chapter.

(b) The employer has failed to remit the proper amount of contributions required by the Unemployment Insurance Code or the Employment Development Department has made an assessment for those unpaid contributions against the employer that has become final and the employer has not fully paid the amount of delinquency for those unpaid contributions.

(c) The employer has failed to remit the amount of Social Security and Medicare tax contributions required by the Federal Insurance Contributions Act (FICA) to the Internal Revenue Service and the employer has not fully paid the amount or delinquency for those unpaid contributions.

(d) The employer has not fully satisfied the terms of any administrative settlement pursuant to the Department of Fair Employment and Housing processes or a final judicial decree agreed upon with an employee or former employee of a business for which the employer is required to register under this part for any final judgment for a violation of Section 12940 of the Government Code.

(e) The employer has not fully satisfied any final judgment for failing to secure valid workers' compensation coverage as required by Section 3700.

SEC. 32. Section 1434 of the Labor Code is amended to read:

1434. A successor employer is liable for any wages, damages, and penalties its predecessor employer owes to any of the predecessor employer's former workforce if the successor employer meets any of the following criteria:

(a) Uses substantially the same workforce to offer substantially the same services as the predecessor employer. This factor does not apply to employers who maintain the same workforce pursuant to Chapter 4.5 (commencing with Section 1060) of Part 3.

(b) Shares in the ownership, management, control of the labor relations, or interrelations of business operations with the predecessor employer.

(c) Employs in a managerial capacity any person who directly or indirectly controlled the wages, hours, or working conditions of the affected workforce of the predecessor employer.

(d) Is an immediate family member of any owner, partner, officer, or director of the predecessor employer of any person who had a financial interest in the predecessor employer.

SEC. 33. Section 1455 is added to the Labor Code, to read:

1455. (a) (1) The Division of Labor Standards Enforcement, upon appropriation of funds to the division for purposes of this section, shall 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.

(2) For purposes of this section:

(A) "CBO" means community-based organization.

(B) "Division" means the Division of Labor Standards Enforcement.

(b) The program duration shall continue until June 30, 2024, with an opportunity to expand or renew contingent on allocation of state funds or identification of other revenue sources.

(c) The division shall issue a competitive request to CBOs to provide education and outreach services primarily focused on, but not limited to, domestic work employees and employers. CBOs shall have demonstrated experience in carrying out outreach and education directed at these populations, including knowledge of, and demonstrated familiarity with, issues facing the domestic work industry.

(d) CBOs shall be responsible for developing, and consulting with the division regarding, the core education and outreach materials regarding minimum wage, overtime, sick leave, record-keeping, retaliation, and the division wage adjudication and retaliation process, including specific issues that affect certain industries, such as the domestic work industry, differently. CBOs shall be responsible for all costs related to the development, printing, advertising, or distribution of the education and outreach materials. The materials shall be translated into non-English languages as may be appropriate, as determined by the applicable CBO in consultation with the division. At the discretion of the division, the division shall have final approval over the education and outreach materials.

(e) The division and CBOs shall meet biannually, or more frequently at the discretion of the division, to coordinate efforts around outreach, education, and enforcement, including sharing information, in accordance with applicable privacy and confidentiality laws, that will shape and inform the overall enforcement strategy of the division regarding low-wage industries, including the domestic work industry.

(f) The division shall not expend more than 5 percent of the budget allocation on the administration of the program.

(g) This section shall become inoperative on July 1, 2024, and, as of January 1, 2025, is repealed.

SEC. 34. Section 6717.5 is added to the Labor Code, to read:

6717.5. The division shall submit to the board a rulemaking proposal to revise the lead standards of the general industry safety orders, found at Section 5198 of Title 8 of the California Code of Regulations, and the construction safety orders, found at Section 1532.1 of Title 8 of the California Code of Regulations, consistent with scientific research and findings. The board shall vote on the proposed changes on or before September 30, 2020.

SEC. 35. Section 984 of the Unemployment Insurance Code is amended to read:

984. (a) (1) Each worker shall pay worker contributions at the rate determined by the director pursuant to this section with respect to wages, as defined by Sections 926, 927, and 985. On or before October 31 of each calendar year, the director shall prepare a statement, which shall be a public record, declaring the rate of worker contributions for the calendar year and shall notify promptly all employers of employees covered for disability insurance of the rate.

(2) (A) Except as provided in paragraph (3), the rate of worker contributions for calendar year 1987 and for each subsequent calendar year shall be 1.30 times the amount disbursed from the Disability Fund during the 12-month period ending September 30 and immediately preceding the calendar year for which the rate is to be effective, less the amount in the Disability Fund on that September 30, with the resulting figure divided by total wages paid pursuant to Sections 926, 927, and 985 during the same 12-month period, and then rounded to the nearest one-tenth of 1 percent.

(B) The director shall increase the rate of worker contributions by .08 percent for the 2004 and 2005 calendar years to cover the initial cost of family temporary disability insurance benefits provided in Chapter 7 (commencing with Section 3300) of Part 2.

(3) The rate of worker contributions shall not exceed 1.5 percent or be less than 0.1 percent. The rate of worker contributions shall not decrease from the rate in the previous year by more than two-tenths of 1 percent.

(b) Worker contributions required under Sections 708 and 708.5 shall be at a rate determined by the director to reimburse the Disability Fund for unemployment compensation disability benefits paid and estimated to be paid to all employers and self-employed individuals covered by those sections. On or before November 30th of each calendar year, the director shall prepare a statement, which shall be a public record, declaring the rate of contributions for the succeeding calendar year for all employers and self-employed individuals covered under Sections 708 and 708.5 and shall notify promptly the employers and self-employed individuals of the rate. The rate shall be determined by dividing the estimated benefits and administrative costs paid in the prior year by the product of the annual remuneration deemed to have been received under Sections 708 and 708.5 and the estimated number of persons who were covered at any time in the prior year. The resulting rate shall be rounded to the next higher one-hundredth percentage point. The rate may also be reduced or increased by a factor estimated to maintain as nearly as practicable a cumulative zero balance in the funds contributed pursuant to Sections 708 and 708.5. Estimates made pursuant to this subdivision may be made on the basis of statistical sampling, or another method determined by the director.

(c) The director's action in determining a rate under this section shall not constitute an authorized regulation.

(d) (1) Notwithstanding subdivision (a), and except as provided in paragraph (2), the director may, at the director's discretion, increase or decrease, by not to exceed 0.1 percent, the rate of worker contributions determined pursuant to subdivision (a), up to a maximum worker contribution rate of 1.5 percent, if the director determines the adjustment is necessary to reimburse the Disability Fund for disability benefits paid or estimated to be paid to individuals covered by this section or to prevent the accumulation of funds in excess of those needed to maintain an adequate fund balance.

(2) Notwithstanding paragraph (1), for the 2004, 2005, and 2006 calendar years, the director may not decrease the rate of worker contributions, regardless of whether the director determines that a decrease is necessary

to prevent the accumulation of funds in excess of those needed to maintain the adequacy of the Disability Fund during program implementation.

(e) The amendment to this section by the act adding this subdivision shall become operative on July 1, 2019.

SEC. 36. Section 1088.9 of the Unemployment Insurance Code is amended to read:

1088.9. (a) The department shall have the power and duties necessary to administer the enforcement of employer compliance with Title 21 (commencing with Section 100000) of the Government Code.

(b) Each eligible employer that, without good cause, fails to allow its eligible employees to participate in the CalSavers Retirement Savings Program pursuant to Sections 100014 and 100032 of the Government Code, on or before 90 days after service of notice by the director pursuant to Section 1206 of its failure to comply, shall pay a penalty of two hundred fifty dollars (\$250) per eligible employee if noncompliance extends 90 days or more after the notice, and if found to be in noncompliance 180 days or more after the notice, an additional penalty of five hundred dollars (\$500) per eligible employee.

(c) The department shall enforce this penalty as part of its existing investigation and audit function.

(d) The provisions of this article, the provisions of Article 9 (commencing with Section 1176), with respect to refunds and overpayments, and the provisions of Article 11 (commencing with Section 1221), with respect to administrative appellate review shall apply to the penalty imposed by this section. Penalties collected pursuant to this section shall be deposited in the contingent fund.

(e) If the department participates in the implementation and administration of the program, it may charge the board a reasonable fee for costs it incurs for implementing and administering the program.

(f) This section shall only become operative when both of the following occur:

(1) The board notifies the Director of Employment Development that enforcement should proceed.

(2) The board and the Director of Employment Development agree to a reasonable implementation timeline.

(g) Upon satisfaction of the conditions in subdivision (f), the department shall post on its internet website a notice of the operative date of the section.

SEC. 37. Section 1095 of the Unemployment Insurance Code is amended to read:

1095. The director shall permit the use of any information in their possession to the extent necessary for any of the following purposes and may require reimbursement for all direct costs incurred in providing any and all information specified in this section, except information specified in subdivisions (a) to (e), inclusive:

(a) To enable the director or their representative to carry out their responsibilities under this code.

(b) To properly present a claim for benefits.

(c) To acquaint a worker or their authorized agent with their existing or prospective right to benefits.

(d) To furnish an employer or their authorized agent with information to enable them to fully discharge their obligations or safeguard their rights under this division or Division 3 (commencing with Section 9000).

(e) To enable an employer to receive a reduction in contribution rate.

(f) To enable federal, state, or local governmental departments or agencies, subject to federal law, to verify or determine the eligibility or entitlement of an applicant for, or a recipient of, public social services provided pursuant to Division 9 (commencing with Section 10000) of the Welfare and Institutions Code, or Part A of Subchapter IV of the federal Social Security Act (42 U.S.C. Sec. 601 et seq.), when the verification or determination is directly connected with, and limited to, the administration of public social services.

(g) To enable county administrators of general relief or assistance, or their representatives, to determine entitlement to locally provided general relief or assistance, when the determination is directly connected with, and limited to, the administration of general relief or assistance.

(h) To enable state or local governmental departments or agencies to seek criminal, civil, or administrative remedies in connection with the unlawful application for, or receipt of, relief provided under Division 9 (commencing with Section 10000) of the Welfare and Institutions Code or to enable the collection of expenditures for medical assistance services pursuant to Part 5 (commencing with Section 17000) of Division 9 of the Welfare and Institutions Code.

(i) To provide any law enforcement agency with the name, address, telephone number, birth date, social security number, physical description, and names and addresses of present and past employers, of any victim, suspect, missing person, potential witness, or person for whom a felony arrest warrant has been issued, when a request for this information is made by any investigator or peace officer as defined by Sections 830.1 and 830.2 of the Penal Code, or by any federal law enforcement officer to whom the Attorney General has delegated authority to enforce federal search warrants, as defined under Sections 60.2 and 60.3 of Title 28 of the Code of Federal Regulations, as amended, and when the requesting officer has been designated by the head of the law enforcement agency and requests this information in the course of and as a part of an investigation into the commission of a crime when there is a reasonable suspicion that the crime is a felony and that the information would lead to relevant evidence. The information provided pursuant to this subdivision shall be provided to the extent permitted by federal law and regulations, and to the extent the information is available and accessible within the constraints and configurations of existing department records. Any person who receives any information under this subdivision shall make a written report of the information to the law enforcement agency that employs them, for filing under the normal procedures of that agency.

(1) This subdivision shall not be construed to authorize the release to any law enforcement agency of a general list identifying individuals applying for or receiving benefits.

(2) The department shall maintain records pursuant to this subdivision only for periods required under regulations or statutes enacted for the administration of its programs.

(3) This subdivision shall not be construed as limiting the information provided to law enforcement agencies to that pertaining only to applicants for, or recipients of, benefits.

(4) The department shall notify all applicants for benefits that release of confidential information from their records will not be protected should there be a felony arrest warrant issued against the applicant or in the event of an investigation by a law enforcement agency into the commission of a felony.

(j) To provide public employee retirement systems in California with information relating to the earnings of any person who has applied for or is receiving a disability income, disability allowance, or disability retirement allowance, from a public employee retirement system. The earnings information shall be released only upon written request from the governing board specifying that the person has applied for or is receiving a disability allowance or disability retirement allowance from its retirement system. The request may be made by the chief executive officer of the system or by an employee of the system so authorized and identified by name and title by the chief executive officer in writing.

(k) To enable the Division of Labor Standards Enforcement in the Department of Industrial Relations to seek criminal, civil, or administrative remedies in connection with the failure to pay, or the unlawful payment of, wages pursuant to Chapter 1 (commencing with Section 200) of Part 1 of Division 2 of, and Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of, the Labor Code.

(l) To enable federal, state, or local governmental departments or agencies to administer child support enforcement programs under Part D of Title IV of the federal Social Security Act (42 U.S.C. Sec. 651 et seq.).

(m) To provide federal, state, or local governmental departments or agencies with wage and claim information in its possession that will assist those departments and agencies in the administration of the Victims of Crime Program or in the location of victims of crime who, by state mandate or court order, are entitled to restitution that has been or can be recovered.

(n) To provide federal, state, or local governmental departments or agencies with information concerning any individuals who are or have been:

(1) Directed by state mandate or court order to pay restitution, fines, penalties, assessments, or fees as a result of a violation of law.

(2) Delinquent or in default on guaranteed student loans or who owe repayment of funds received through other financial assistance programs administered by those agencies. The information released by the director for the purposes of this paragraph shall not include unemployment insurance benefit information.

(o) To provide an authorized governmental agency with any and all relevant information that relates to any specific workers' compensation insurance fraud investigation. The information shall be provided to the extent permitted by federal law and regulations. For the purposes of this subdivision, "authorized governmental agency" means the district attorney of any county, the office of the Attorney General, the Contractors' State License Board, the Department of Industrial Relations, and the Department of Insurance. An authorized governmental agency may disclose this information to the State Bar of California, the Medical Board of California, or any other licensing board or department whose licensee is the subject of a workers' compensation insurance fraud investigation. This subdivision shall not prevent any authorized governmental agency from reporting to any board or department the suspected misconduct of any licensee of that body.

(p) To enable the Director of Consumer Affairs, or their representatives, to access unemployment insurance quarterly wage data on a case-by-case basis to verify information on school administrators, school staff, and students provided by those schools who are being investigated for possible violations of Chapter 8 (commencing with Section 94800) of Part 59 of Division 10 of Title 3 of the Education Code.

(q) To provide employment tax information to the tax officials of Mexico, if a reciprocal agreement exists. For purposes of this subdivision, "reciprocal agreement" means a formal agreement to exchange information between national taxing officials of Mexico and taxing authorities of the State Board of Equalization, the Franchise Tax Board, and the Employment Development Department. Furthermore, the reciprocal agreement shall be limited to the exchange of information that is essential for tax administration purposes only. Taxing authorities of the State of California shall be granted tax information only on California residents. Taxing authorities of Mexico shall be granted tax information only on Mexican nationals.

(r) To enable city and county planning agencies to develop economic forecasts for planning purposes. The information shall be limited to businesses within the jurisdiction of the city or county whose planning agency is requesting the information, and shall not include information regarding individual employees.

(s) To provide the State Department of Developmental Services with wage and employer information that will assist in the collection of moneys owed by the recipient, parent, or any other legally liable individual for services and supports provided pursuant to Chapter 9 (commencing with Section 4775) of Division 4.5 of, and Chapter 2 (commencing with Section 7200) and Chapter 3 (commencing with Section 7500) of Division 7 of, the Welfare and Institutions Code.

(t) To provide the State Board of Equalization with employment tax information that will assist in the administration of tax programs. The information shall be limited to the exchange of employment tax information essential for tax administration purposes to the extent permitted by federal law and regulations.

(u) This section shall not be construed to authorize or permit the use of information obtained in the administration of this code by any private collection agency.

(v) The disclosure of the name and address of an individual or business entity that was issued an assessment that included penalties under Section 1128 or 1128.1 shall not be in violation of Section 1094 if the assessment is final. The disclosure may also include any of the following:

(1) The total amount of the assessment.

(2) The amount of the penalty imposed under Section 1128 or 1128.1 that is included in the assessment.

(3) The facts that resulted in the charging of the penalty under Section 1128 or 1128.1.

(w) To enable the Contractors' State License Board to verify the employment history of an individual applying for licensure pursuant to Section 7068 of the Business and Professions Code.

(x) To provide any peace officer with the Division of Investigation in the Department of Consumer Affairs information pursuant to subdivision (i) when the requesting peace officer has been designated by the chief of the Division of Investigation and requests this information in the course of and as part of an investigation into the commission of a crime or other unlawful act when there is reasonable suspicion to believe that the crime or act may be connected to the information requested and would lead to relevant information regarding the crime or unlawful act.

(y) To enable the Labor Commissioner of the Division of Labor Standards Enforcement in the Department of Industrial Relations to identify, pursuant to Section 90.3 of the Labor Code, unlawfully uninsured employers. The information shall be provided to the extent permitted by federal law and regulations.

(z) To enable the Chancellor of the California Community Colleges, in accordance with the requirements of Section 84754.5 of the Education Code, to obtain quarterly wage data, commencing January 1, 1993, on students who have attended one or more community colleges, to assess the impact of education on the employment and earnings of students, to conduct the annual evaluation of district-level and individual college performance in achieving priority educational outcomes, and to submit the required reports to the Legislature and the Governor. The information shall be provided to the extent permitted by federal statutes and regulations.

(aa) To enable the Public Employees' Retirement System to seek criminal, civil, or administrative remedies in connection with the unlawful application for, or receipt of, benefits provided under Part 3 (commencing with Section 20000) of Division 5 of Title 2 of the Government Code.

(ab) To enable the State Department of Education, the University of California, the California State University, and the Chancellor of the California Community Colleges, pursuant to the requirements prescribed by the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5), to obtain quarterly wage data, commencing July 1, 2010, on students who have attended their respective systems to assess the impact of

education on the employment and earnings of those students, to conduct the annual analysis of district-level and individual district or postsecondary education system performance in achieving priority educational outcomes, and to submit the required reports to the Legislature and the Governor. The information shall be provided to the extent permitted by federal statutes and regulations.

(ac) To provide the Agricultural Labor Relations Board with employee, wage, and employer information, for use in the investigation or enforcement of the Alatorre-Zenovich-Dunlap-Berman Agricultural Labor Relations Act of 1975 (Part 3.5 (commencing with Section 1140) of Division 2 of the Labor Code). The information shall be provided to the extent permitted by federal statutes and regulations.

(ad) (1) To enable the State Department of Health Care Services, the California Health Benefit Exchange, the Managed Risk Medical Insurance Board, and county departments and agencies to obtain information regarding employee wages, California employer names and account numbers, employer reports of wages and number of employees, and disability insurance and unemployment insurance claim information, for the purpose of:

(A) Verifying or determining the eligibility of an applicant for, or a recipient of, state health subsidy programs, limited to the Medi-Cal program, provided pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code, and the Access for Infants and Mothers Program, provided pursuant to Part 6.3 (commencing with Section 12695) of Division 2 of the Insurance Code, when the verification or determination is directly connected with, and limited to, the administration of the state health subsidy programs referenced in this subparagraph.

(B) Verifying or determining the eligibility of an applicant for, or a recipient of, federal subsidies offered through the California Health Benefit Exchange, provided pursuant to Title 22 (commencing with Section 100500) of the Government Code, including federal tax credits and cost-sharing assistance pursuant to the federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152), when the verification or determination is directly connected with, and limited to, the administration of the California Health Benefit Exchange.

(C) Verifying or determining the eligibility of employees and employers for health coverage through the Small Business Health Options Program, provided pursuant to Section 100502 of the Government Code, when the verification or determination is directly connected with, and limited to, the administration of the Small Business Health Options Program.

(2) The information provided under this subdivision shall be subject to the requirements of, and provided to the extent permitted by, federal law and regulations, including Part 603 of Title 20 of the Code of Federal Regulations.

(ae) To provide any peace officer with the Investigations Division of the Department of Motor Vehicles with information pursuant to subdivision

(i), when the requesting peace officer has been designated by the Chief of the Investigations Division and requests this information in the course of, and as part of, an investigation into identity theft, counterfeiting, document fraud, or consumer fraud, and there is reasonable suspicion that the crime is a felony and that the information would lead to relevant evidence regarding the identity theft, counterfeiting, document fraud, or consumer fraud. The information provided pursuant to this subdivision shall be provided to the extent permitted by federal law and regulations, and to the extent the information is available and accessible within the constraints and configurations of existing department records. Any person who receives any information under this subdivision shall make a written report of the information to the Investigations Division of the Department of Motor Vehicles, for filing under the normal procedures of that division.

(af) Until January 1, 2020, to enable the Department of Finance to prepare and submit the report required by Section 13084 of the Government Code that identifies all employers in California that employ 100 or more employees who receive benefits from the Medi-Cal program (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code). The information used for this purpose shall be limited to information obtained pursuant to Section 11026.5 of the Welfare and Institutions Code and from the administration of personal income tax wage withholding pursuant to Division 6 (commencing with Section 13000) and the disability insurance program and may be disclosed to the Department of Finance only for the purpose of preparing and submitting the report and only to the extent not prohibited by federal law.

(ag) To provide, to the extent permitted by federal law and regulations, the Student Aid Commission with wage information in order to verify the employment status of an individual applying for a Cal Grant C award pursuant to subdivision (c) of Section 69439 of the Education Code.

(ah) To enable the Department of Corrections and Rehabilitation to obtain quarterly wage data of former inmates who have been incarcerated within the prison system in order to assess the impact of rehabilitation services or the lack of these services on the employment and earnings of these former inmates. Quarterly data for a former inmate's employment status and wage history shall be provided for a period of one year, three years, and five years following release. The data shall only be used for the purpose of tracking outcomes for former inmates in order to assess the effectiveness of rehabilitation strategies on the wages and employment histories of those formerly incarcerated. The information shall be provided to the department to the extent not prohibited by federal law.

(ai) To enable federal, state, or local government departments or agencies, or their contracted agencies, subject to federal law, including the confidentiality, disclosure, and other requirements set forth in Part 603 of Title 20 of the Code of Federal Regulations, to evaluate, research, or forecast the effectiveness of public social services programs administered pursuant to Division 9 (commencing with Section 10000) of the Welfare and Institutions Code, or Part A of Subchapter IV of Chapter 7 of the federal

Social Security Act (42 U.S.C. Sec. 601 et seq.), when the evaluation, research, or forecast is directly connected with, and limited to, the administration of the public social services programs.

(aj) To enable the California Workforce Development Board, the Chancellor of the California Community Colleges, the Superintendent of Public Instruction, the Department of Rehabilitation, the State Department of Social Services, the Bureau for Private Postsecondary Education, the Department of Industrial Relations, the Division of Apprenticeship Standards, and the Employment Training Panel to access any relevant quarterly wage data necessary for the evaluation and reporting of their respective program performance outcomes as required and permitted by various state and federal laws pertaining to performance measurement and program evaluation under the federal Workforce Innovation and Opportunity Act (Public Law 113-128); the workforce performance metrics dashboard pursuant to paragraph (1) of subdivision (i) of Section 14013; the Adult Education Block Grant Program consortia performance metrics pursuant to Section 84920 of the Education Code; the economic and workforce development program performance measures pursuant to Section 88650 of the Education Code; and the California Community Colleges Economic and Workforce Development Program performance measures established in Part 52.5 (commencing with Section 88600) of Division 7 of Title 3 of the Education Code.

(ak) (1) To provide any peace officer with the Enforcement Branch of the Department of Insurance with both of the following:

(A) Information provided pursuant to subdivision (i) that relates to a specific insurance fraud investigation involving automobile insurance fraud, life insurance and annuity fraud, property and casualty insurance fraud, and organized automobile insurance fraud. That information shall be provided when the requesting peace officer has been designated by the Chief of the Fraud Division of the Department of Insurance and requests the information in the course of, and as part of, an investigation into the commission of a crime or other unlawful act when there is reasonable suspicion to believe that the crime or act may be connected to the information requested and would lead to relevant information regarding the crime or unlawful act.

(B) Employee, wage, employer, and state disability insurance claim information that relates to a specific insurance fraud investigation involving health or disability insurance fraud when the requesting peace officer has been designated by the Chief of the Fraud Division of the Department of Insurance and requests the information in the course of, and as part of, an investigation into the commission of a crime or other unlawful act when there is reasonable suspicion to believe that the crime or act may be connected to the information requested and would lead to relevant information regarding the crime or unlawful act.

(2) To enable the State Department of Developmental Services to obtain quarterly wage data of consumers served by that department for the purposes of monitoring and evaluating employment outcomes to determine the

effectiveness of the Employment First Policy, established pursuant to Section 4869 of the Welfare and Institutions Code.

(3) The information provided pursuant to this subdivision shall be provided to the extent permitted by federal statutes and regulations.

(al) To provide the California Secure Choice Retirement Savings Investment Board with employer tax information for use in the administration of, and to facilitate compliance with, the California Secure Choice Retirement Savings Trust Act (Title 21 of the Government Code). The information should be limited to the tax information the director deems appropriate and shall be provided to the extent permitted by federal laws and regulations.

SEC. 38. Section 3301 of the Unemployment Insurance Code, as amended by Section 1 of Chapter 849 of the Statutes of 2018, is amended to read:

3301. (a) (1) The purpose of this chapter is to establish, within the state disability insurance program, a family temporary disability insurance program. Family temporary disability insurance shall provide up to six weeks of wage replacement benefits to workers who take time off work to care for a seriously ill child, spouse, parent, grandparent, grandchild, sibling, or domestic partner, or to bond with a minor child within one year of the birth or placement of the child in connection with foster care or adoption.

(2) Nothing in this chapter shall be construed to abridge the rights and responsibilities conveyed under the CFRA or pregnancy disability leave.

(b) An individual's "weekly benefit amount" shall be the amount provided in Section 2655. An individual is eligible to receive family temporary disability insurance benefits equal to one-seventh of the individual's weekly benefit amount for each full day during which the individual is unable to work due to caring for a seriously ill or injured family member or bonding with a minor child within one year of the birth or placement of the child in connection with foster care or adoption.

(c) The maximum amount payable to an individual during any disability benefit period for family temporary disability insurance shall be six times the individual's "weekly benefit amount," but in no case shall the total amount of benefits payable be more than the total wages paid to the individual during the individual's disability base period. If the benefit is not a multiple of one dollar (\$1), it shall be computed to the next higher multiple of one dollar (\$1).

(d) No more than six weeks of family temporary disability insurance benefits shall be paid within any 12-month period.

(e) An individual shall file a claim for family temporary disability insurance benefits not later than the 41st consecutive day following the first compensable day with respect to which the claim is made for benefits, which time shall be extended by the department upon a showing of good cause. If a first claim is not complete, the claim form shall be returned to the claimant for completion and it shall be completed and returned not later than the 10th consecutive day after the date it was mailed by the department to the

claimant, except that such time shall be extended by the department upon a showing of good cause.

(f) This section shall remain in effect only until July 1, 2020, and as of that date is repealed.

SEC. 39. Section 3301 is added to the Unemployment Insurance Code, to read:

3301. (a) (1) The purpose of this chapter is to establish, within the state disability insurance program, a family temporary disability insurance program. Family temporary disability insurance shall provide up to eight weeks of wage replacement benefits to workers who take time off work to care for a seriously ill child, spouse, parent, grandparent, grandchild, sibling, or domestic partner, or to bond with a minor child within one year of the birth or placement of the child in connection with foster care or adoption.

(2) Nothing in this chapter shall be construed to abridge the rights and responsibilities conveyed under the CFRA or pregnancy disability leave.

(b) An individual's "weekly benefit amount" shall be the amount provided in Section 2655. An individual is eligible to receive family temporary disability insurance benefits equal to one-seventh of the individual's weekly benefit amount for each full day during which the individual is unable to work due to caring for a seriously ill or injured family member or bonding with a minor child within one year of the birth or placement of the child in connection with foster care or adoption.

(c) The maximum amount payable to an individual during any disability benefit period for family temporary disability insurance shall be eight times the individual's "weekly benefit amount," but in no case shall the total amount of benefits payable be more than the total wages paid to the individual during the individual's disability base period. If the benefit is not a multiple of one dollar (\$1), it shall be computed to the next higher multiple of one dollar (\$1).

(d) No more than eight weeks of family temporary disability insurance benefits shall be paid within any 12-month period.

(e) An individual shall file a claim for family temporary disability insurance benefits not later than the 41st consecutive day following the first compensable day with respect to which the claim is made for benefits, which time shall be extended by the department upon a showing of good cause. If a first claim is not complete, the claim form shall be returned to the claimant for completion and it shall be completed and returned not later than the 10th consecutive day after the date it was mailed by the department to the claimant, except that such time shall be extended by the department upon a showing of good cause.

(f) This section shall become operative on July 1, 2020, and shall remain in effect only until January 1, 2021, and as of that date is repealed.

SEC. 40. Section 3301 of the Unemployment Insurance Code, as added by Section 2 of Chapter 849 of the Statutes of 2018, is amended to read:

3301. (a) (1) The purpose of this chapter is to establish, within the state disability insurance program, a family temporary disability insurance program. Family temporary disability insurance shall provide up to eight

weeks of wage replacement benefits to workers who take time off work to care for a seriously ill child, spouse, parent, grandparent, grandchild, sibling, or domestic partner, to bond with a minor child within one year of the birth or placement of the child in connection with foster care or adoption, or to participate in a qualifying exigency related to the covered active duty or call to covered active duty of the individual's spouse, domestic partner, child, or parent in the Armed Forces of the United States.

(2) Nothing in this chapter shall be construed to abridge the rights and responsibilities conveyed under the CFRA or pregnancy disability leave.

(b) An individual's "weekly benefit amount" shall be the amount provided in Section 2655. An individual is eligible to receive family temporary disability insurance benefits equal to one-seventh of the individual's weekly benefit amount for each full day during which the individual is unable to work due to caring for a seriously ill or injured family member, bonding with a minor child within one year of the birth or placement of the child in connection with foster care or adoption, or participating in a qualifying exigency related to the covered active duty or call to covered active duty of the individual's spouse, domestic partner, child, or parent in the Armed Forces of the United States.

(c) The maximum amount payable to an individual during any disability benefit period for family temporary disability insurance shall be eight times the individual's "weekly benefit amount," but in no case shall the total amount of benefits payable be more than the total wages paid to the individual during the individual's disability base period. If the benefit is not a multiple of one dollar (\$1), it shall be computed to the next higher multiple of one dollar (\$1).

(d) No more than eight weeks of family temporary disability insurance benefits shall be paid within any 12-month period.

(e) An individual shall file a claim for family temporary disability insurance benefits not later than the 41st consecutive day following the first compensable day with respect to which the claim is made for benefits, which time shall be extended by the department upon a showing of good cause. If a first claim is not complete, the claim form shall be returned to the claimant for completion and it shall be completed and returned not later than the 10th consecutive day after the date it was mailed by the department to the claimant, except that such time shall be extended by the department upon a showing of good cause.

(f) This section shall become operative on January 1, 2021.

SEC. 41. (a) Notwithstanding any other law, the Director of Employment Development may enter into contracts that implement the requirements of Section 3301 of the Unemployment Insurance Code, as amended, repealed, and added by Sections 38, 39, and 40 of this act, related to the family temporary disability insurance program.

(b) Any service contracts entered into by the Director of Employment Development pursuant to the authorization in subdivision (a) shall be exempt from any requirements imposed pursuant to Parts 1 and 2 of Division 2 of

the Public Contract Code, and shall not be subject to review or approval by the Department of General Services.

(c) Projects undertaken by the Employment Development Department to implement the requirements of Section 3301 of the Unemployment Insurance Code shall be exempt from the Project Approval Lifecycle requirements administered by the Department of Technology pursuant to Chapter 3 (commencing with Section 12100) of Part 2 of Division 2 of the Public Contract Code, as specified in Section 19 of the Statewide Information Management Manual, and Sections 4819.34 to 4819.39, inclusive, and Sections 4920 to 4928, inclusive, of the State Administrative Manual.

SEC. 42. With regard to Section 33 of this act, the Legislature finds and declares all of the following:

(a) As recognized by the State of California in Resolution Chapter 119 of the Statutes of 2010, it is the policy of the state to encourage and protect the rights of low-wage workers who experience wage theft and retaliation, including domestic work employees.

(b) Domestic work has become a core part of Californians' lives. Two million households in California rely on domestic workers to provide care for children, housecleaning, and support for seniors and people with disabilities. The vast majority of domestic workers are women of color and immigrants and are particularly vulnerable to unlawful employment practices. These vulnerabilities extend beyond domestic work into other industries with high women of color and immigrant worker populations and often face similar barriers to enforcement of their rights.

(c) Because domestic workers care for the most important elements of their employers' lives, their families and homes, it is in the interest of employees, employers, and the people of the State of California to ensure that the rights of domestic workers are respected, protected, and enforced.

(d) Domestic work remains a low-wage and largely under-regulated industry. Domestic workers usually work alone, behind closed doors, and out of the public eye, leaving them isolated, vulnerable to abuse and exploitation by some employers, and unable to advocate collectively for better working conditions. Because of the unique nature of the industry, most domestic workers do not know their rights and struggle to access information about their rights. Four in ten employers pay low wages, which are defined as two-thirds of the median full-time wage in California. One in six domestic work employers fail to pay minimum wage. A substantial number of domestic workers do not complain about these violations because they are afraid they would lose their jobs. This fear has been augmented by the current national political climate and its focus on increased immigration enforcement, further exacerbating the challenges of enforcement of wage and hour laws.

(e) The demand for domestic work will continue to grow due to the aging of the population and the increased reliance on home care. The number of personal care aides alone is expected to grow by 35.8 percent between 2014 and 2024, which is significantly faster than the growth rate for other occupations in California.

(f) Given the unique structure of the industry and the barriers to rights enforcement and access to information experienced by both domestic work employees and employers, community-based organizations serve as “trusted messengers” and have demonstrated experience in carrying out activities of outreach and education directed at these populations. Community-based organizations (CBOs) maintain long-standing and existing programs of regular, innovative outreach to domestic worker and domestic employer communities, as well as to other workers in low-wage industries. Through engagement of domestic workers as leaders and staff of their organizations, CBOs conduct peer-to-peer outreach and reach workers on nights and weekends and through local community institutions such as churches, bus stops, public parks, food banks, and even workers’ private homes. Rooted in the fabric of local communities and neighborhoods, CBOs possess a deep understanding of the needs of domestic workers and are able to provide services that meet the needs of this population, creating a culture of trust, longevity and regular contact. This model of outreach has also proven effective in other low-wage industries, including residential care, janitorial, carwash, construction, restaurant and agriculture.

SEC. 43. With regard to Sections 38, 39, and 40 of this act, the Legislature finds and declares all of the following:

(a) The expansion of the Family Temporary Disability Insurance program, also known as the Paid Family Leave program, has the goal of ensuring that newborns and newly adopted babies can be cared for by a parent or close family member for the first six months of their lives.

(b) Public health shows that providing up to six months of paid parental leave leads to positive health and educational outcomes for children. We now know, for example, that a baby’s interactions with parents in the very first months of the infant’s life is critical to help the baby’s brain develop. In fact, during the first 1,000 days of a child’s life, over 700 neural connections are formed every second, but these connections are dependent on the baby interacting with loving parents, close family members and caretakers. Bonding with a newly adopted baby has also demonstrated lasting long-term mental health benefits.

(c) Economic research demonstrates that paid parental leave provides greater economic security for parents by increasing labor force attachment overall, and reducing the economic strain on finding and affording infant childcare. In California, infant childcare averages over \$16,400 per infant per year for care at a childcare center or over \$10,600 per infant per year for a family-based childcare provider.

(d) Allowing parents to stay at home by providing paid family leave achieves the dual goal of allowing parents to help their children with essential early brain development and improve their family economic security.

(e) Take up rates for the Paid Family Leave program vary by income. Special attention must be paid to allow low wage workers opportunities to access the benefits they finance, including the amount of their wages replaced and the job protection they have to return to their employment.

(f) The Paid Family Leave program is an integral program that already supports California's workers, their families, and early childhood development. The program currently provides parents with up to six weeks of paid leave to bond with a new minor child. Collectively, these paid leave benefits provide families with approximately three months of paid leave when used consecutively. The expansion of the program would double this availability to a total of six months so that infant children can stay with their parent or a close family member for the first six months of the child's life.

(g) A birth mother may take an additional six weeks of leave to recover from childbirth under California's Disability Insurance program, further extending bonding time with her newborn baby.

(h) This legislation represents an initial step forward by increasing paid family leave for parents to bond with their new child from six weeks to eight weeks, thereby providing families up to one additional month to care for and bond with their newborn or newly adopted child.

(i) By November 2019, the Office of the Governor, through consultation with a task force, will develop a proposal to increase paid family leave duration to a full six months by 2021–22, for parents to care for and bond with their newborn or newly adopted child. This proposal must assess and address job protections for employees, wage replacement rates up to 90 percent for low wage workers and provide a plan to implement and fund expanded paid family leave benefits, as well as other findings and recommendations of interest. The Office of the Governor will present task force findings and observations to the Legislature by November 2019.

(j) It is the intent of the Legislature that the task force consult with representatives from employer groups, labor, early education representatives, other employment experts, and the Legislature when developing the proposal.

(k) It is the intent of the Legislature that the task force review and build upon prior reports and research, including those produced by the Legislative Analyst's Office, the Employment Development Department, and the Legislature.

SEC. 44. The sum of five million (\$5,000,000) is hereby appropriated from the General Fund to the Division of Labor Standards Enforcement in the Department of Industrial Relations to administer a three-year program for outreach and education, pursuant to Section 1455 of the Labor Code, beginning in the 2019–20 fiscal year. This appropriation shall be available for encumbrance and expenditure until June 30, 2023, and for liquidation until June 30, 2024.

SEC. 45. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 46. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

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