

Assembly Appropriations Committee  
Labor PERS & JEDE

8/10/16 3:09 PM

BILL	AUTHOR	SUBJECT/FISCAL EFFECT	RECOMMENDATION
SB 24	Hill	<p data-bbox="478 386 1560 418">Subject: Allows a specified joint powers authority to offer classic CalPERS benefits.</p> <p data-bbox="478 459 1560 638">Allows a joint powers authority (JPA), formed by the Cities of Belmont, Foster City, and San Mateo, to provide existing employees the retirement benefit they received from their respective employer prior to the JPA's formation rather than the benefit required under the California Public Employees' Pension Reform Act of 2013 (PEPRA).</p> <p data-bbox="478 678 569 711">Fiscal:</p> <p data-bbox="478 751 1549 816">One-time special fund costs to the California Public Employees' Retirement System (CalPERS) of approximately \$200,000 for implementation and systems changes.</p>	

SB 780	Mendoza	<p>Subject: Changes overtime policy for psychiatric technicians and psychiatric technician assistants.</p> <p>Modifies mandatory overtime policy for psychiatric technicians (PTs) and psychiatric technician assistants (PTAs) in state hospitals or facilities. Specifically, this bill:</p> <ol style="list-style-type: none"> <li>1) Prohibits a facility from requiring a PT or PTA to work in excess of a regularly scheduled workweek or work shift, except for any PT or PTA participating and needed in surgical procedure or when there is a catastrophic event or emergency, as defined.</li> <li>2) Authorizes a PT or PTA to volunteer to work extra hours, but specifies that the refusal by a PT or PTA to work such hours will not be grounds for discrimination or other type of penalty.</li> </ol> <p>Fiscal:</p> <p>Estimated annual costs of \$5.7 million GF and SF to the Department of Developmental Services (DDS), \$17 million GF to the Department of Corrections and Rehabilitation (CDCR), and \$7.1 million GF and SF to the Department of State Hospitals (DSH) for additional employees that will replace existing mandatory overtime hours. While there will be significant offsetting savings to each department for not paying overtime, these savings are not fully known.</p>	
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SB 950	Nielsen	<p>Subject: Creates a new arbitration process in the formal grievance process for excluded employees.</p> <p>Creates the Excluded Employee Arbitration Act in order to permit an organization that represents certain excluded employees to request arbitration of an employee grievance.</p> <p>Fiscal:</p> <p>Unknown fiscal impact. While the additional costs of this new arbitration to CalHR are approximately \$40,000 GF per arbitration, there is considerable uncertainty about the total cost to the state. Specifically, the fiscal effect of this bill is dependent on the following factors:</p> <ol style="list-style-type: none"> <li>1) Case outcomes. The costs of arbitration would be offset in instances when CalHR wins arbitration proceedings and is therefore compensated for its costs.</li> <li>2) The impact of arbitration on other parts of the formal grievance procedure. The new arbitration process could create competing incentives within the grievance process. Currently, CalHR processes an average 150 grievances per year for excluded employees. It can be assumed a number of these would have been elevated to arbitration if such an option were available to employees, since arbitration is perceived as producing better outcomes for workers. Even a handful of additional cases that are elevated to arbitration would result in GF costs in excess of \$150,000. However, SB 950 may also result in savings that are difficult to calculate in advance. The threat of arbitration could mean that an agreement between the employee and employer is reached earlier in the formal grievance process, thereby reducing administrative costs. Moreover, to the extent that arbitration is pursued instead of taking a case to court, CalHR could see significant reduction in litigation costs.</li> </ol>	
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SB 1001	Mitchell	<p>Subject: Unfair employment practices.</p> <p>Prohibits an employer, or any other person or entity, from discriminating against or engaging in unfair immigration-related practices against an applicant or employee. The bill also prohibits reinvestigation or reverification of an incumbent employee's authorization, unless required by federal law.</p> <p>Fiscal:</p> <p>Administrative costs to the Department of Industrial Relations (DIR) Division of Labor Standards Enforcement (DLSE) in the range of \$147,000 to \$437,000 (Labor Enforcement Compliance Fund). This bill mirrors protections created by AB 263 (Hernández), Chapter 732, Statutes of 2013 which made threats against immigration status, and reverification of work authorization, an unlawful immigration related practice. Extending those protections to applicants would significantly widen the pool of potential claimants however; DIR is unable to predict how many claimants would seek this protection.</p>	
SB 1063	Hall	<p>Subject: Equal Pay Act and wage discrimination based on race and gender.</p> <p>Amends the Equal Pay Act to prohibit employers from paying employees a wage rate less than the rate paid to employees of a different race or ethnicity for substantially similar work.</p> <p>Fiscal:</p> <p>Unknown, likely significant costs to the Department of Industrial Relations (DIR) to process claims associated with wage discrimination based on race or ethnicity.</p> <p>The Division of Labor Standards and Enforcement (DLSE) does not currently receive any pay discrimination claims on the basis of race or ethnicity, making it difficult to predict costs associated with this bill. DIR notes, however, that the Department of Fair Employment and Housing (DFEH) received roughly 6,500 claims in 2014 alleging employment discrimination based on race. As a point of comparison, if DLSE received 1% of the claims DFEH received, this would generate workload for DLSE of approximately \$600,000 (special fund) in the first year and \$570,000 (special fund) in subsequent years.</p>	

SB 1167	Leyva	<p>Subject: Indoor heat standard for workers.</p> <p>Requires, by July 1, 2018, the Division of Occupational Safety and Health (DOSH), to propose to the Occupational Safety and Health Standards Board (standards board) for its review and adoption a standard that minimizes heat-related illness and injury among indoor workers. Specifies DOSH is not prohibited from proposing, or the standards board from adopting, a standard that limits the application of high heat provisions to certain industry sectors.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> <li>1) Administrative costs to the Department of Industrial Relations (DIR) of approximately \$232,000 (special funds) in the first year of implementation and \$224,000 (special funds) in the second year, to create the indoor heat standard.</li> <li>2) Enforcement costs are unknown and difficult to predict. DOSH currently utilizes six safety engineers to enforce outdoor heat requirements at a cost of \$1.4 million annually. Cost estimates related to enforcement of this bill could be in the \$1.4 million range if DOSH needs the same resources to enforce a new indoor heat standard.</li> </ol>	
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SB 1176	Galgiani	<p>Subject: Expands thresholds for small businesses and microbusinesses under the Small Business Procurement and Contract Act.</p> <p>Increases the average annual gross revenue limit for small businesses from \$10 million to \$15 million and for microbusinesses from \$2.5 million to \$5 million, in order to be eligible for state small business procurement benefits and incentives. Establishes a new category of small business for the purpose of bidding on state public works projects.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> <li>1) According to DGS, one-time General Fund costs, in the range of \$5.5 million to \$7.5 million, to make programming changes to FISCAL to modify system functionality to the new category of small business in the processing of procurements.</li> <li>2) Ongoing administrative costs to DGS of approximately \$270,000 (special funds) to support two positions to handle additional workload associated with the new subcategory of contractors on public works projects.</li> <li>3) DGS indicates the costs of raising the threshold for small businesses and microbusinesses are minor and absorbable.</li> </ol>	
SB 1203	Hertzberg	<p>Subject: Allows joint powers authority to offer classic CalPERS benefits</p> <p>Authorizes a joint powers authority (JPA) formed on or after January 1, 2013 to provide employees who transfer to the JPA the same defined benefit plan or formula that they received from their respective employer prior to the JPA's formation rather than the benefit required under the California Public Employees' Pension Reform Act of 2013 (PEPRA).</p> <p>Fiscal:</p> <p>One-time special fund costs to the California Public Employees' Retirement System (CalPERS) of approximately \$200,000 for implementation and systems changes.</p>	

SB 1219	Hancock	<p>Subject: New designation for employment social enterprise businesses under the Small Business Procurement and Contract Act.</p> <p>Includes employment social enterprises (ESEs) within the Small Business Procurement and Contract Act, starting July 1, 2017, for the purpose of allowing them to participate in state contracting bid preferences. Defines "employment social enterprise" as a social purpose corporation, benefit corporation or nonprofit corporation based in California, as specified. Requires, among other things, the enterprise to earn 51% or more of its revenue from the production or assembly of goods or the provision of services, or a combination of both and be comprised of at least 80% of enterprise participants who face multiple barriers to employment.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> <li>1) According to DGS, one-time General Fund costs, in the range of \$5.5 million to \$7.5 million, to make programming changes to FISCAL to modify system functionality to accommodate the ESEs in the processing of procurements.</li> <li>2) DGS indicates they would need 3 positions and \$406,000 (special funds) to conduct outreach to ESEs and departments to make them aware of the new status, assist ESEs through the certification process, review applications and certify ESEs.</li> </ol>	
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SB 1234	De Leon	<p>Subject: Authorization of the Secure Choice Program.</p> <p>Provides legislative approval for the California Secure Choice Retirement Savings Program (Secure Choice Program) and modifies recommendations and requirements for the design and implementation of the Secure Choice Program.</p> <p>Fiscal:</p> <p>Unknown fiscal impact. Total costs would be determined by the number of employers and workers participating, administrative costs, and investment performance and contribution levels. While the Secure Choice Program is likely to eventually operate without the need for state funds, SB 1234 states that initial startup costs for the Secure Choice Program may be financed by a General Fund loan. The State Treasurer’s Office (STO) estimates that total implementation costs over a multi-year period could reach up to \$134 million.</p>	
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