

## Avalanche Alert: Top 10 California Employment Bills To Watch as Legislative Session Wraps Up.

California employers will want to sit down, grab a cup of coffee, and prepare themselves for the avalanche on new employment laws that may soon be coming their way. The state Legislature just completed its work for 2023 in a frenzy of last-minute activity and deal-cutting, wrapping up a session for the record books. State lawmakers considered over 2,700 bills – the most in almost two decades – including some high-profile workplace-related proposals. Governor Newsom now has until October 14 to sign or veto bills that sit on his desk, meaning we will know within the next month which will be enacted into law. While there are dozens of employment-related bills awaiting his action, which are the top 10 you should track? Read on and (as they say) weep.

*Note: Except as otherwise noted, new laws will go into effect January 1, 2024. We will provide a full analysis of each law that becomes finalized in separate Insights to be published, so make sure you are signed up for the Fisher Phillips Insight System to ensure you receive the latest.*

### 1. Expansion of Paid Sick Leave – 5 Days or 40 Hours

Current state law requires employers to provide three days or 24 hours of paid sick leave to employees (although several local ordinances have requirements that go beyond state law).

[Senate Bill 616](#) would increase this obligation to five days or 40 hours of paid sick leave. Employers would be able to limit usage to five days or 40 hours per year and to cap accrual at 10 days or 80 hours.

It's all but certain that Governor Newsom will sign this bill into law. But it could have been worse! Until recently amended, SB 616 would have increased paid sick leave to seven days or 56 hours. The employer community attempted to negotiate some changes to the law that would have mitigated some of the burden of increased leave (such as a documentation requirement for longer leaves) but those efforts were unsuccessful.

### 2. New Discrimination Protection for “Family Caregiver” Status

After several unsuccessful attempts, legislation that would add “family caregiver status” to the list of protected categories under the Fair Employment and Housing Act (FEHA) is finally headed to the Governor's desk.

[Assembly Bill 524](#) defines “family caregiver status” to mean being a person who provides “direct care” to a spouse, child, parent, sibling, grandparent, grandchild, domestic partner or (for existing employees) a CFRA “designated person.”

A potential compliance challenge for California employers is that the bill does not define “direct care.” Therefore, there is some uncertainty as to whether the “care” must be medical or emotional in nature, or whether it needs to be ongoing in nature.

AB 524 also states that it does not create any new obligation for an employer to provide “special accommodations” because of family caregiver status (including with respect to absenteeism, benefits, leave, scheduling or work performance).

### 3. Last Minute “Deal” on Fast Food Workers

One of the more high-profile pieces of legislation is a last-minute compromise deal on fast food workers that enacts a \$20 minimum wage for covered workers in exchange for withdrawal of a pending referendum on landmark legislation enacted last year (AB 257) to establish a powerful Fast Food Council.

[Assembly Bill 1228](#) represents a compromise between Governor Newsom, labor unions and some fast food industry participants, and would apply to fast food restaurants (and their employees) that are part of a national food chain of more than 60 establishments.

Among other things, AB 1228 would:

- Establish a minimum wage for covered fast food workers of \$20 effective April 1, 2024 (with possible annual increases thereafter)
- Preempt local ordinances that purport to require a specific minimum wage for fast food workers.

- Establish a new (and watered-down) version of the Fast Food Council, with the main change being that (other than the minimum wage) any proposed work standards would need to be promulgated by the respective state agency, such as the Labor Commissioner.

- Drop a previous proposal to make fast food franchisors joint liable for violations of their franchisees.

- Require industry groups to drop their referendum to repeal AB 257 (currently qualified for the November 2024 ballot).

Governor Newsom is virtually certain to sign this legislation as the bill represents a compromise negotiated by his office and key stakeholders.

### 4. Minimum Wage Increase for Health Care Workers

Another last-minute compromise deal between labor and employers addresses a long-standing effort to mandate a specific minimum wage for health care workers. This has been the subject of statewide ballot measure discussions and several local ordinances (particularly in Southern California) over the last few years.

[Senate Bill 525](#) represents a compromise between labor groups and the California Hospital Association and other health care employers.

In essence, SB 525 would enact a series of minimum wage requirements that vary by type of healthcare employer. In exchange, local health care worker minimum wage ordinances would be overridden. In addition, media reports indicate that as part of this compromise labor groups have agreed to a moratorium on legislation and/or ballot measures aimed at dialysis clinics (which have been a frequent target of expensive ballot measures over the last several years).

The minimum wage requirements would consist of the following:

- Large health systems with more than 10,000 workers and dialysis clinics would pay \$23 an hour in 2024, \$24 in 2025, and \$25 in 2026.
- Hospitals with a “high governmental payor mix” (Medi-Cal and Medicare patients) and rural independent hospitals would pay \$18 in 2024 (which would gradually increase to \$25 by 2033).

*Article continues at link below*

UNEMPLOYMENT

Region	August 2022	July 2023	August 2023	Percentage Point Change	
				1 month	12 months
San José–Sunnyvale MSA	2.7%	3.6%	3.9%	+ 0.3	+ 1.2
San Francisco MD	2.5%	3.2%	3.5%	+ 0.3	+ 1.0
California	4.1%	4.8%	5.1%	+ 0.3	+ 1.0
United States	3.8%	3.8%	3.9%	+ 0.1	+ 0.1

INDUSTRY EMPLOYMENT

Sector — August 2023	San Jose MSA	San Francisco MD	Combined Region	Percentage Change (Combined Region)	
				1 month	12 months
<b>Total Nonfarm</b>	<b>1,87,000</b>	<b>1,215,500</b>	<b>2,402,500</b>	<b>- 0.1%</b>	<b>+ 2.1%</b>
Construction	57,900	40,700	98,600	+ 2.1%	+ 3.2%
Manufacturing	181,000	39,200	220,200	- 0.2%	- 1.0%
Retail Trade	72,200	65,400	137,600	- 0.6%	- 2.6%
Information	106,800	126,000	232,800	- 0.3%	- 0.9%
Professional & Business Services	257,000	317,600	574,600	- 0.6%	+ 0.4%
Educational Services	87,300	80,600	167,900	+ 2.4%	+ 4.7%
Health Care & Social Assistance	149,400	127,600	277,000	- 0.6%	+ 6.3%
Leisure & Hospitality	109,000	130,900	239,900	- 0.2%	+ 8.7%
Government	93,900	137,400	231,300	+ 1.6%	+ 3.3%

Note: San José MSA (San José–Sunnyvale–Santa Clara Metropolitan Statistical Area) = Santa Clara and San Benito Counties  
 San Francisco MD (San Francisco–Redwood City–South San Francisco Metropolitan Division) = San Mateo and San Francisco Counties

Source: California Employment Development Department, LMID

LABOR FORCE & ANNUAL CHANGE

Labor Force by Metropolitan Statistical Area (U.S. High-Tech Regions)

	LABOR FORCE			UNEMPLOYMENT			UNEMPLOYMENT RATE		
	August 2022	August 2023	Change	August 2022	August 2023	Change	August 2022	August 2023	Change
<b>United States</b>	<b>164,970,000</b>	<b>168,050,000</b>	<b>+ 1.9%</b>	<b>6,256,000</b>	<b>6,623,000</b>	<b>+ 5.9%</b>	<b>3.8%</b>	<b>3.9%</b>	<b>+ 0.1</b>
Austin, TX	1,402,781	1,453,862	+ 3.6%	41,112	56,451	+ 37.3%	2.9%	3.9%	+ 1.0
Boston, MA	2,807,702	2,794,089	- 0.5%	100,637	76,421	- 24.1%	3.6%	2.7%	- 0.9
New York City, NY	4,109,800	4,155,100	+ 1.1%	212,500	234,700	+ 10.4%	5.2%	5.6%	+ 0.4
Seattle, WA	1,774,746	1,826,233	+ 2.9%	59,172	67,330	+ 13.8%	3.3%	3.7%	+ 0.4
California	19,237,800	19,340,800	+ 0.5%	787,500	993,600	+ 26.2%	4.1%	5.1%	+ 1.0
San Diego	1,591,600	1,594,100	+ 0.2%	55,400	68,400	+ 23.5%	3.5%	4.3%	+ 0.8
San Francisco	1,031,900	1,035,500	+ 0.3%	25,800	35,800	+ 38.8%	2.5%	3.5%	+ 1.0
San José	1,079,900	1,084,300	+ 0.4%	29,300	42,500	+ 45.1%	2.7%	3.9%	+ 1.2
NOVAworks Region	790,400	793,200	+ 0.4%	19,000	27,300	+ 43.7%	2.4%	3.4%	+ 1.0

Note: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

REGIONAL LAYOFF ACTIVITY

August 2023 Layoff Events

Company	Location	# Affected
Illumina, Inc.	San Mateo	14
Thermo Fisher Scientific	South San Francisco	64
Intel Corp.	Santa Clara	170
Microsoft	Mountain View	2
<b>Total</b>		<b>250</b>

WARN SUMMARY

Events YTD <sup>†</sup> :	256
Individuals Affected YTD :	13,687
Individuals Previous YTD <sup>‡</sup> :	2,454

\* **WARN: Worker Adjustment and Retraining Notification** (notice of mass layoff or closure)  
<sup>†</sup> **YTD: Year to Date** (Calendar year: January 1–Present)  
<sup>‡</sup> **Previous YTD:** (Same date range as YTD, one year prior)

Note: Layoff data are preliminary and should be considered an estimate of monthly regional activity

Source: California EDD, CalJOBS: WARN data