

AMENDED IN SENATE MARCH 21, 2002

SENATE BILL

No. 1236

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Introduced by Senator Alarcon

January 7, 2002

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~~An act to add Part 8.5 (commencing with Section 15550) to Division 3 of Title 2 of the Government Code, relating to labor. An act to amend Sections 11550, 11552, 12800, and 12803 of, to add Section 12813 to, and to add Part 8.5 (commencing with Section 15550) to Division 3 of Title 2 of, the Government Code, to amend Sections 50 and 1141 of, and to add Sections 18.5 and 19.5 to, the Labor Code, and to amend Section 301 of the Unemployment Insurance Code, relating to governmental reorganization.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1236, as amended, Alarcon. *Labor and Workforce Development Agency.*

~~Existing law does not provide for the establishment of a Labor Agency in state government.~~

~~This bill would create in state government a Labor Agency. The agency would be under the supervision of a Secretary of the Labor Agency who would be appointed by the Governor, subject to confirmation by the Senate.~~

*(1) Existing law does not provide for the establishment of a Labor and Workforce Development Agency in state government.*

*This bill would create a Labor and Workforce Development Agency in state government consisting of the Department of Industrial Relations, the Employment Development Department, the Agricultural Labor Relations Board, and the Workforce Development Board. The agency would be under the supervision of the Secretary of Labor and*

Workforce Development who would be appointed by the Governor, subject to confirmation by the Senate.

(2) Existing law provides for the Director of Industrial Relations to receive an annual salary of \$91,054, as adjusted.

This bill instead would provide for the director to receive an annual salary of \$85,402, as adjusted.

(3) This bill would make conforming changes and other related changes in governmental reorganization of state agencies.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

1 ~~SECTION 1. — Part 8.5 (commencing with Section 15550) is~~  
2 *SECTION 1. Section 11550 of the Government Code is*  
3 *amended to read:*  
4 11550. Effective January 1, 1988, an annual salary of  
5 ninety-one thousand fifty-four dollars (\$91,054) shall be paid to  
6 each of the following:  
7 (a) Director of Finance.  
8 (b) Secretary of Business, Transportation and Housing  
9 Agency.  
10 (c) Secretary of Resources ~~Agency~~.  
11 (d) Secretary of the California Health and Welfare Human  
12 Services Agency.  
13 (e) Secretary of State and Consumer Services ~~Agency~~.  
14 (f) ~~Director of Industrial Relations~~.  
15 (g) Commissioner of the California Highway Patrol.  
16 (h) ~~—~~  
17 (g) Secretary of Youth and Adult Correctional Agency.  
18 (i) ~~—~~  
19 (h) Secretary of Food and Agriculture.  
20 (j) ~~—~~  
21 (i) Secretary of Technology, Trade, and Commerce ~~Agency~~.  
22 (k) ~~—~~  
23 (j) Secretary of Veterans Affairs.  
24 (k) *Secretary of Labor and Workforce Development.*  
25 The annual compensation provided by this section shall be  
26 increased in any fiscal year in which a general salary increase is  
27 provided for state employees. The amount of the increase provided



1 by this section shall be comparable to, but shall not exceed, the  
2 percentage of the general salary increases provided for state  
3 employees during that fiscal year.

4 *SEC. 2. Section 11552 of the Government Code is amended to*  
5 *read:*

6 11552. Effective January 1, 1988, an annual salary of  
7 eighty-five thousand four hundred two dollars (\$85,402) shall be  
8 paid to each of the following:

- 9 (a) Commissioner of Financial Institutions.
- 10 (b) Commissioner of Corporations.
- 11 (c) Insurance Commissioner.
- 12 (d) Director of Transportation.
- 13 (e) Real Estate Commissioner.
- 14 (f) Director of Social Services.
- 15 (g) Director of Water Resources.
- 16 (h) Director of Corrections.
- 17 (i) Director of General Services.
- 18 (j) Director of Motor Vehicles.
- 19 (k) Director of the Youth Authority.
- 20 (l) Executive Officer of the Franchise Tax Board.
- 21 (m) Director of Employment Development.
- 22 (n) Director of Alcoholic Beverage Control.
- 23 (o) Director of Housing and Community Development.
- 24 (p) Director of Alcohol and Drug Abuse.
- 25 (q) Director of the Office of Statewide Health Planning and  
26 Development.
- 27 (r) Director of the Department of Personnel Administration.
- 28 (s) Chairperson and Member of the Board of Equalization.
- 29 (t) Secretary of ~~the~~ *Technology, Trade, and Commerce Agency*.
- 30 (u) ~~State~~ Director of Health Services.
- 31 (v) Director of Mental Health.
- 32 (w) Director of Developmental Services.
- 33 (x) State Public Defender.
- 34 (y) Director of the California State Lottery.
- 35 (z) Director of Fish and Game.
- 36 (aa) Director of Parks and Recreation.
- 37 (ab) Director of Rehabilitation.
- 38 (ac) Director of Veterans Affairs.
- 39 (ad) Director of Consumer Affairs.
- 40 (ae) Director of Forestry and Fire Protection.

1 (af) The Inspector General pursuant to Section 6125 of the  
2 Penal Code.

3 (ag) Director of Child Support Services.

4 (ah) *Director of Industrial Relations.*

5 The annual compensation provided by this section shall be  
6 increased in any fiscal year in which a general salary increase is  
7 provided for state employees. The amount of the increase provided  
8 by this section shall be comparable to, but shall not exceed, the  
9 percentage of the general salary increases provided for state  
10 employees during that fiscal year.

11 *SEC. 3. Section 12800 of the Government Code is amended to*  
12 *read:*

13 12800. There are in the state government the following  
14 agencies: State and Consumer Services; Business, Transportation  
15 and Housing; California Environmental Protection; California  
16 Health and Human Services; *Labor and Workforce Development*;  
17 Resources; *Technology*, Trade, and Commerce; and Youth and  
18 Adult Correctional.

19 Whenever the term “Agriculture and Services Agency”  
20 appears in any law, it means the “State and Consumer Services  
21 Agency,” and whenever the term “Secretary of Agriculture and  
22 Services Agency” appears in any law, it means the “Secretary of  
23 State and Consumer ~~Services Agency.~~” *Services.*”

24 Whenever the term “Business and Transportation Agency”  
25 appears in any law, it means the “Business, Transportation and  
26 Housing Agency,” and whenever the term “Secretary of the  
27 Business and Transportation Agency” appears in any law, it means  
28 the “Secretary of ~~the~~ Business, Transportation and ~~Housing~~  
29 ~~Agency.~~” *Housing.*”

30 Whenever the term “Health and Welfare Agency” appears in  
31 any law, it means the “California Health and Human Services  
32 Agency,” and whenever the term “Secretary of the Health and  
33 Welfare Agency” appears in any law, it means the “Secretary of  
34 ~~the~~ California Health and Human Services ~~Agency.~~”

35 *SEC. 4. Section 12803 of the Government Code is amended to*  
36 *read:*

37 12803. (a) The California Health and Human Services  
38 Agency consists of the following departments: Health Services;  
39 Mental Health; Developmental Services; Social Services; Alcohol



1 and Drug Abuse; Aging; ~~Employment—Development;~~  
2 Rehabilitation; and Community Services and Development.

3 (b) The agency also includes the Office of Statewide Health  
4 Planning and Development and the State Council on  
5 Developmental Disabilities.

6 (c) The Department of Child Support Services is hereby  
7 created within the agency commencing January 1, 2000, and shall  
8 be the single organizational unit designated as the state’s Title  
9 IV-D agency with the responsibility for administering the state  
10 plan and providing services relating to the establishment of  
11 paternity or the establishment, modification, or enforcement of  
12 child support obligations as required by Section 654 of Title 42 of  
13 the United States Code. State plan functions shall be performed by  
14 other agencies as required by law, by delegation of the department,  
15 or by cooperative agreements.

16 *SEC. 5. Section 12813 is added to the Government Code, to*  
17 *read:*

18 *12813. The Labor and Workforce Development Agency*  
19 *consists of the Department of Industrial Relations, the*  
20 *Employment Development Department, the Agricultural Labor*  
21 *Relations Board, and the Workforce Development Board.*

22 *SEC. 6. Part 8.5 (commencing with Section 15550) is added*  
23 *to Division 3 of Title 2 of the Government Code, to read:*

24

25 *PART 8.5. LABOR AND WORKFORCE DEVELOPMENT*  
26 *AGENCY*

27

28 *CHAPTER 1. GENERAL PROVISIONS*

29

30 *15550. As used in this part, “agency” and “secretary” refer*  
31 *to the Labor and Workforce Development Agency and the*  
32 *Secretary of Labor and Workforce Development, respectively,*  
33 *unless the context otherwise requires.*

34 *15551. (a) The Labor and Workforce Development Agency in*  
35 *state government is under the supervision of an executive officer*  
36 *known as the Secretary of Labor and Workforce Development. The*  
37 *secretary shall be appointed by the Governor, subject to*  
38 *confirmation by the Senate, and shall hold office at the pleasure*  
39 *of the Governor.*



1 (b) *The annual salary of the secretary is provided for by*  
2 *Chapter 6 (commencing with Section 11550) of Part 1.*

3 15552. (a) *The Governor shall appoint an Undersecretary of*  
4 *Labor and Workforce Development and five assistant secretaries*  
5 *assigned to programmatic areas, as determined by the Governor.*

6 (b) *The undersecretary and the assistant secretaries shall serve*  
7 *at the pleasure of the secretary.*

8 15553. *Before entering upon the duties of office, the secretary*  
9 *shall execute an official bond to the state in the penal sum of fifty*  
10 *thousand dollars (\$50,000) conditioned upon the faithful*  
11 *performance of those duties.*

12

## 13 CHAPTER 2. DUTIES

14

15 15554. *The secretary has the power of general supervision*  
16 *over, and is directly responsible to the Governor for, the operations*  
17 *of each department, office, and unit within the agency. The*  
18 *secretary may issue those orders as the secretary deems*  
19 *appropriate to exercise any power or jurisdiction, or to assume or*  
20 *discharge any responsibility, or to carry out or effect any of the*  
21 *purposes vested by law in any department in the agency. However,*  
22 *nothing in this part authorizes the secretary to exercise any power*  
23 *or jurisdiction, assume or discharge any responsibility, or carry*  
24 *out or effect any of the purposes vested by other provisions of law*  
25 *in any board, commission, council, or other appointive*  
26 *multimember body that is organizationally located within the*  
27 *Labor and Workforce Development Agency or within any of its*  
28 *departments.*

29 15555. *The secretary shall advise the Governor on, and assist*  
30 *the Governor in, establishing major policy and program matters*  
31 *affecting each department, office, or other unit within the agency,*  
32 *and shall serve as the principal communication link for the*  
33 *effective transmission of policy problems and decisions between*  
34 *the Governor and each department, office, or other unit.*

35 15556. *The secretary shall exercise the authority vested in the*  
36 *Governor in respect to the functions of each department, office, or*  
37 *other unit within the agency, including the adjudication of*  
38 *conflicts between or among the departments, offices, or other*  
39 *units, and shall represent the Governor in coordinating the*  
40 *activities of each department, office, or other unit within the*



1 agency with those of other agencies, whether federal, state, or  
2 local.

3 15557. The secretary shall be generally responsible for the  
4 sound fiscal management of each department, office, or other unit  
5 within the agency. The secretary shall review and approve the  
6 proposed budget of each department, office, or other unit. The  
7 secretary shall hold the head of each department, office, or other  
8 unit responsible for management control over the administrative,  
9 fiscal, and program performance of his or her department, office,  
10 or other unit. The secretary shall review the operations and  
11 evaluate the performance at appropriate intervals of each  
12 department, office, or other unit, and shall seek continually to  
13 improve the organizational structure, the operating policies, and  
14 the management information systems of each department, office,  
15 or other unit.

16 15558. The secretary shall develop and report to the  
17 Governor on legislative, budgetary, and administrative programs  
18 to accomplish comprehensive, long-range, coordinated planning  
19 and policy formulation in the matters of public interest related to  
20 the agency. To accomplish this end, the secretary may hold public  
21 hearings, consult with and use the services and cooperation of  
22 other state agencies, employ staff and consultants, and appoint  
23 advisory and technical committees to assist in the work.

24 15559. For the purpose of administration, the secretary shall  
25 review the organization of the agency and report to the Governor  
26 on changes necessary to segregate and conduct the work of the  
27 agency.

28 15560. The secretary and any other officer or employee within  
29 the agency designated in writing by the secretary shall have the  
30 power of a head of a department pursuant to Article 2  
31 (commencing with Section 11180) of Chapter 2 of Part 1.

32 15561. Whenever a power is granted to the secretary, the  
33 power may be exercised by an officer or employee within the  
34 agency as designated in writing by the secretary.

35 SEC. 7. Section 18.5 is added to the Labor Code, to read:

36 18.5. "Agency" means the Labor and Workforce  
37 Development Agency.

38 SEC. 8. Section 19.5 is added to the Labor Code, to read:

39 19.5. "Secretary" means the Secretary of Labor and  
40 Workforce Development.



1 SEC. 9. Section 50 of the Labor Code is amended to read:

2 50. There is in the ~~state government~~ Labor and Workforce  
3 Development Agency the Department of Industrial Relations.

4 SEC. 10. Section 1141 of the Labor Code is amended to read:

5 1141. (a) There is hereby created in ~~state government~~ the  
6 Labor and Workforce Development Agency the Agricultural Labor  
7 Relations Board, which shall consist of five members.

8 (b) The members of the board shall be appointed by the  
9 Governor with the advice and consent of the Senate. The term of  
10 office of the members shall be five years, and the terms shall be  
11 staggered at one-year intervals. Upon the initial appointment, one  
12 member shall be appointed for a term ending January 1, 1977, one  
13 member shall be appointed for a term ending January 1, 1978, one  
14 member shall be appointed for a term ending January 1, 1979, one  
15 member shall be appointed for a term ending January 1, 1980, and  
16 one member shall be appointed for a term ending January 1, 1981.  
17 Any individual appointed to fill a vacancy of any member shall be  
18 appointed only for the unexpired term of the member to whose  
19 term he *or she* is succeeding. The Governor shall designate one  
20 member to serve as chairperson of the board. Any member of the  
21 board may be removed by the Governor, upon notice and hearing,  
22 for neglect of duty or malfeasance in office, but for no other cause.

23 SEC. 11. Section 301 of the Unemployment Insurance Code is  
24 amended to read:

25 301. There is in the ~~Health~~ Labor and ~~Welfare~~ Workforce  
26 Development Agency the Employment Development  
27 Department, which is vested with the duties, purposes,  
28 responsibilities, and jurisdiction heretofore exercised by the State  
29 Department of Benefit Payments or the *California* Health and  
30 ~~Welfare~~ Human Services Agency with respect to job creation  
31 activities. The Employment Development Department shall be  
32 administered by an executive officer known as the Director of  
33 Employment Development who is vested with the duties,  
34 purposes, responsibilities, and jurisdiction heretofore exercised by  
35 the Director of Benefit Payments with respect to the following  
36 functions:

37 (a) Job creation activities.

38 (b) Making manual computations and making or denying  
39 recomputations of the amount and duration of benefits.



1 (c) Determination of contribution rates and the administration  
2 and collection of contributions, penalties and interest, including  
3 but not limited to filing and releasing liens.

4 (d) Establishment, administration, and transfer of reserve  
5 accounts.

6 (e) Making assessments and the administration of credits and  
7 refunds.

8 (f) Approving elections for coverage or for financing  
9 unemployment and disability insurance coverage.

10 *SEC. 12. Notwithstanding Section 11552 of the Government*  
11 *Code, the person appointed and serving as the Director of*  
12 *Industrial Relations as of January 1, 2003, shall retain the annual*  
13 *salary prescribed by Section 11550 of the Government Code for the*  
14 *duration of his or her term of office.*

15 ~~added to Division 3 of Title 2 of the Government Code, to read:~~

16 ~~PART 8.5. LABOR AGENCY~~

17  
18 ~~CHAPTER 1. GENERAL PROVISIONS~~

19  
20  
21 ~~15550. As used in this part, “agency” and “secretary” refer~~  
22 ~~to the Labor Agency and the Secretary of the Labor Agency,~~  
23 ~~respectively, unless the context otherwise requires.~~

24 ~~15551. The Labor Agency in state government is under the~~  
25 ~~supervision of an executive officer known as the Secretary of the~~  
26 ~~Labor Agency. The secretary shall be appointed by the Governor,~~  
27 ~~subject to confirmation by the Senate, and shall hold office at the~~  
28 ~~pleasure of the Governor.~~

