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## California Workplace Law Blog

Insight & Commentary on California Workplace Law Issues & Developments

### California Revives Industrial Wage Commission

By Laura A. Pierson-Scheinberg, Gina M. Roccanova, Kaitlyn L. Lavaroni & Kymiya St. Pierre on July 12, 2023

On July 10, 2023, Governor Newsom signed Assembly Bill (AB) 102 which will amend the Budget Act of 2023. The bill will take effect immediately as a Budget Bill.

While appropriations bills such as AB 102 are generally not of much interest to private employers, AB 102 is noteworthy because it includes a \$3,000,000 appropriation to the Industrial Welfare Commission (IWC).

The IWC is the administrative entity that was established to regulate wages, hours, and working conditions in California. The IWC developed the wage orders, which set forth many requirements that employers must comply with in addition to the California Labor Code. The IWC was previously defunded by the California Legislature effective July 1, 2004, but its 18 wage orders remain in effect. As a result of the defunding of the IWC, the wage orders have not been updated since 2001.

Under the appropriations outlined in AB 102, the IWC will convene industry-specific wage boards and adopt orders specific to wages, hours, and working conditions in such industries, provided that any such orders shall not include any standards that are less protective than existing state law.

The IWC will be mandated to prioritize for consideration industries in which more than 10 percent of workers are at or below the federal poverty level.

Under AB 102, the IWC shall convene by **January 1, 2024**, with any final recommendations for wages, hours, and working conditions in new wage orders adopted by **October 31, 2024**.

The renewed funding of the IWC is seen by industry groups as the state's attempt to push through similar efforts to increase regulations for industries such as the fast-food industry. Last year, the

state passed **the FAST Recovery Act**, which was intended to form a council that would develop regulations for fast food workers' working conditions. However, **the law was blocked pending a voter referendum on the statute**.

If you have questions about the refunding of the IWC or related issues, contact a Jackson Lewis attorney to discuss.