

California's SB 1032 (Reyes) Passes State Assembly Judiciary Committee, heads to Assembly Appropriations Committee

Bill Protects Workers, Honest Employers, and California Taxpayers by Bringing Accountability to the Temporary Staffing Industry



SACRAMENTO, CA, UNITED STATES, July 1, 2026 /EINPresswire.com/ -- The California State Assembly Judiciary

Committee late yesterday approved SB 1032, the Staffing Agency Fair Employment (SAFE) Act, with a decisive 9-3 vote, advancing the legislation to the Assembly Appropriations Committee and moving California one step closer to establishing comprehensive oversight of the temporary staffing industry.

“

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*POWER Executive Director
Robert Reid*

Authored by Senator Eloise Gómez Reyes, SB 1032 establishes California’s first statewide registration and accountability program for temporary staffing agencies, creating a transparent system that protects workers, ethical staffing agencies, responsible employers, and taxpayers from businesses that gain an unfair advantage by violating California law.

“Today’s vote is another important step toward restoring integrity and accountability to California’s temporary

staffing industry,” said Robert Reid, Executive Director of the Professional Organization for Workplace Ethics and Reform (P.O.W.E.R.). “The overwhelming majority of staffing agencies operate legally and responsibly. Unfortunately, they are forced to compete against companies that evade payroll taxes, fail to carry workers’ compensation insurance, and ignore labor laws. SB 1032 helps level the playing field.”

As the bill moves to the Assembly Appropriations Committee, POWER emphasized that the legislation should be viewed as a fiscally responsible investment rather than simply another regulatory program.

“When illegally uninsured staffing agencies injure workers, many of those claims ultimately become the responsibility of California’s Uninsured Employers Benefits Trust Fund (UEBTF),” Reid said. “The UEBTF is already under significant financial pressure and faces a substantial backlog of claims. Preventing unlawful staffing agencies from operating before workers are injured is far less expensive than paying claims after the fact.”

Unlike many other industries operating in California, temporary staffing agencies currently can begin operations without registering with the state, disclosing ownership information, or demonstrating compliance with basic legal requirements.

This lack of oversight has created opportunities for fraudulent operators to engage in payroll tax evasion, workers’ compensation fraud, wage theft, employee misclassification, and the use of shell companies designed to avoid accountability costing California significant revenue while placing compliant businesses at a competitive disadvantage.

“SB 1032 is fundamentally about protecting California’s workers, honest employers, and taxpayer resources,” Reid continued. “The question before the Assembly Appropriations Committee should not be, ‘What will this program cost?’ The better question is, ‘What does California continue to lose every year without meaningful oversight of this industry?’”

Unlike many government programs, SB 1032 is designed to be supported through registration fees established by the Labor Commissioner, while strengthening compliance with existing laws and helping reduce long-term public liabilities associated with uninsured employers, payroll tax evasion, and underground economy activity.

POWER thanked Senator Gómez Reyes for her leadership and encouraged employers, labor organizations, community leaders, staffing agencies, and other stakeholders to continue submitting letters of support to members of the Assembly Appropriations Committee.

“SB 1032 protects workers, rewards ethical employers, promotes fair competition, and safeguards taxpayer dollars,” Reid concluded. “That is a smart investment for California.”

About P.O.W.E.R.

The Professional Organization for Workplace Ethics and Reform (P.O.W.E.R.) is a California nonprofit organization dedicated to exposing fraud, protecting workers, restoring fairness, and promoting ethical employment practices throughout California’s labor markets.

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