

SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
2021-2022 Regular Session

SB 1364 (Durazo)

Version: February 18, 2022

Hearing Date: April 19, 2022

Fiscal: Yes

Urgency: No

TSG

SUBJECT

University of California: vendors

DIGEST

This bill establishes mechanisms for monitoring and enforcing compliance with the University of California's (UC) Equal Pay for Equal Work policy which requires vendors supplying services to the UC to provide equal or better pay and benefits to their employees as UC employees would receive for performing the same work.

EXECUTIVE SUMMARY

In 2019, the Regents of the University of California (UC) adopted a new policy generally prohibiting it from contracting out for services and functions that could be performed by UC staff. The new policy still allowed for outside contracting as a last resort, however, subject to certain criteria. Of particular relevance to this bill, any outside contract had to conform to an Equal Pay for Equal Work Standard: the contracted outside workers had to receive equivalent pay and benefits to what a UC employee would have gotten for performing the same tasks. In practice, however, there is no existing mechanism for ensuring that outside contractors honor the Equal Pay for Equal Work requirement. Unscrupulous contractors can pledge to follow it for purposes of winning the contract and then turn around and ignore it in practice. This bill is designed to prevent subterfuge of UC's Equal Pay for Equal Work policy by requiring any employer contracting with the UC for more than \$1,000 worth of services to notify its workers of the wages and benefits they are entitled to receive under the policy and by requiring the contracting employer to provide payroll information to the UC and its employee unions every six months. In addition, the bill exposes contracting employers to liability for penalties, attorney's fees, and a five year ban from UC contracts if the contractor violates the policy.

The bill is sponsored by the American Federation of State, County, and Municipal Employees Local 3299. Support comes from organized labor, who appreciate the way the bill prevents outside contractors from undermining the wages and benefits of unionized employees. There is no opposition on file. The bill passed out of the Senate Labor, Public Employment and Retirement Committee by a vote of 3-1. If the bill passes out of this Committee, it will next be heard by the Senate Appropriations Committee.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Establishes the UC as a public trust under the administration of the corporation known as “The Regents of the University of California” and grants the Regents all the powers necessary or convenient for the effective administration of this public trust. (Cal. Const., art. XIV, § 9.)
- 2) Limits legislative control over the UC to only such legislative control as may be necessary to insure the security of its funds, to ensure compliance with the terms of the endowments of the university, and such competitive bidding procedures as may be made applicable to the university by statute for the letting of construction contracts, sales of real property, and purchasing of materials, goods, and services. (Cal. Const., art. XIV, § 9.)
- 3) Prohibits entering into a contract or agreement for labor or services with a construction, farm labor, garment, janitorial, security guard, or warehouse contractor, with the actual or constructive knowledge that the contract or agreement does not include funds sufficient to allow the contractor to comply with all applicable local, state, and federal laws or regulations governing the labor or services to be provided. (Lab. Code § 2810.)
- 4) Requires that, at the time of hiring, an employer must provide to each employee a written notice containing the following information:
 - a) the rate or rates of pay and basis thereof, including any rates for overtime, as applicable;
 - b) allowances, if any, claimed as part of the minimum wage, including meal or lodging allowances;
 - c) the regular payday designated by the employer;
 - d) the name of the employer;
 - e) the physical address of the employer’s main office or principal place of business, and a mailing address, if different;
 - f) the telephone number of the employer;
 - g) the name, address, and telephone number of the employer’s workers’ compensation insurance carrier;
 - h) specified information about an employee’s right to paid sick leave; and
 - i) any other information the Labor Commissioner deems material and necessary. (Lab. Code § 2810.5.)
- 5) Requires all employers to provide their employees with an accurate, itemized statement showing gross wages earned, total hours worked by the employee, all deductions, net wages earned, the period for which the employee is paid, all applicable hourly rates in effect during the pay period and the corresponding

number of hours worked, the name of the employee and only the last four digits of their social security number or an employee identification number other than a social security number and the name and address of the legal entity that is the employer. (Lab. Code § 226.)

- 6) Specifies penalties for failure to pay at least minimum wage and sets forth procedures for filing a claim against an employer for alleged failure to comply with minimum wage law. (Lab. Code § 1197.1.)

This bill:

- 1) Defines the following terms, for purposes of this bill, as follows:
 - a) "basic payroll information" means, for each vendor-supplied employee who performed services for the university at any time during the preceding six-month period, the employee's full name, job title, mobile telephone number, email, and home address; the work location; the employee's hours of work for each pay period during the six-month period; and the employee's hours of work performing services for the university for each pay period during the six-month period;
 - b) "hourly value of employer-provided benefits" means the employer's actual cost for the employee's retirement, health, dental, vision, life and disability benefits, calculated as an hourly dollar amount. This does not include any paid time off or payroll expenses required by law;
 - c) "services" means work customarily performed by bargaining unit employees of the university;
 - d) "total compensation rate" means the employee's hourly rate of pay plus the hourly value of employer-provided benefits; and
 - e) "vendor" includes any person or entity that contracts with the UC to perform services or to supply the UC with employees to perform services.
- 2) Prohibits any vendor from accepting payment of more than \$1000 from the UC for a contract for services if the vendor is performing services or supplying the UC with employees who are paid less than the total compensation rate specified in the vendor's contract with the UC or required by UC policy.
- 3) Requires a vendor that supplies the UC with employees to perform services to provide those employees with written notice of the total compensation rate specified in the vendor's contract, and the employee's hourly rate of pay, as specified. These notices must be provided at the time each employee is assigned to perform services and thereafter, each January, and within seven days of a change to the employee's hourly rate.
- 4) Requires that, in January and July of each year, a vendor must provide basic payroll to the UC and any union representing UC employees, as specified, and requires the

vendor to provide all employees who agree to perform services for the UC with a specified written notice about this requirement.

- 5) Requires a vendor to make basic payroll information available to the vendor's employees for inspection upon request, as specified.
- 6) Specifies that the following may constitute evidence of a vendor's intent to deceive or defraud the UC or its employees:
 - a) violation of the requirement to provide employees with a written notice containing specified employment information;
 - b) failure to submit to an audit or to supply an independent audit of its payroll records upon request; or
 - c) violation of requirements under (3) and (4), above.
- 7) Allows any vendor employee or UC employee to confront a vendor with written notice of a violation of this bill and provides the vendor with the opportunity to correct and cure the violation within 30 days before the employee may file a lawsuit based on the violation.
- 8) Allows an employee or university employee to bring a civil action for violation of the above sections of this bill against a vendor in the superior court of any county in which the UC operates.
- 9) Directs the courts to order all of the following if a plaintiff prevails in an action to enforce the rights and duties set forth in the bill:
 - a) for any vendor that pays an employee less than the compensation rate fixed by contract, as specified, payment of penalties of \$100 per employee per pay period for an initial violation and \$250 per employee per pay period for any subsequent violations;
 - b) for any vendor that knowingly and intentionally violates (3) or (4) above, payment of a civil penalty of \$50 dollars per employee per pay period for an initial violation or \$100 per employee per pay period for any subsequent violations, with a cap of \$4000 per employee;
 - c) for a violation of (3) or (4), above, payment of a civil penalty, to be deposited in the General Fund, of up to 10 percent of the amount paid by the UC to the vendor the same year or years;
 - d) disqualification of the vendor from submitting any bid to the UC or executing, renewing, or extending any contact with or otherwise receiving payment from the UC for a minimum of five years; and
 - e) payment by the vendor of the plaintiff's attorney's fees and costs.
- 8) Provides that the remedies under this bill are in addition to any other remedies provided by law, except that an employee cannot also receive civil penalties provided for in Section 226 or 1197.1.

COMMENTS

1. Background on contracted labor at the UC and the Equal Pay for Equal Work standard

The UC is one of California's largest employers, with around 227,000 faculty and staff system-wide.¹ According to the UC, just under half of its in-house labor force is unionized.² At times, however, UC seeks outside vendors to perform various services. The people working for these vendors are not necessarily represented by a union and, in the past, did not necessarily receive the same pay and benefits as an in-house UC employee would.

Under pressure to reduce its reliance on outsourced labor, in 2019 the Regents of the UC adopted Regents' Policy 5402.³ In general, Policy 5402 prohibited the UC from contracting out for services and functions that University staff could perform just as well. Recognizing that there might be "exigent and limited circumstances" when the UC needed to use an outside contract as "a solution of last resort," Policy 5402 allowed such outside contracts, but only under specified conditions. Of particular relevance to this bill, Policy 5402 mandated that any outside contracts adhere to an "Equal Pay for Equal Work" standard. Under that standard:

[t]he labor conditions of contract workers shall be protected by ensuring they receive wages and benefits equivalent to what the University provides to its employees, and providing those who have performed services to the University on a long-term and continuous basis the opportunity to become University employees.

Under the watchful eye of the unions representing its employees, the UC is now in the final phases of renegotiating all of its existing outside contracts to conform to this standard.⁴ Once this process is complete, all contracted workers performing services on behalf of the UC will be treated - on paper at least - by the terms of the Equal Pay for Equal Work standard.

How can anyone be certain that vendors are honoring the Equal Pay for Equal Work standard in practice? This bill creates mechanisms for doing just that. It also establishes

¹ *UC Employee Headcount*. Regents of the University of California, <https://www.universityofcalifornia.edu/about-us/information-center/uc-employee-headcount> (as of Apr. 10, 2022).

² *Union-Represented Employees*. Regents of the University of California, <https://ucnet.universityofcalifornia.edu/labor/index.html> (as of Apr. 10, 2022).

³ *Regents Policy 5402: Policy Generally Prohibiting Contracting for Services* (Approved Nov. 14, 2019; Amended Jan. 23, 2020) Regents of the University of California, <https://regents.universityofcalifornia.edu/governance/policies/5402.html> (as of Apr. 10, 2022).

⁴ See UC Report to AFSCME on Article 5 Compliance.

penalties to be imposed on vendors– after an opportunity to cure – if it is revealed that they are not honoring the standard.

2. The solution proposed by the bill

The bill establishes two mechanisms for ensuring that vendors not only agree to abide by the Equal Pay for Equal Work in order to obtain a contract with UC, but that they actually comply with it in practice.

First, the bill requires vendors to tell any employee whom they are assigning to perform services for the UC how much the vendor’s contract with the UC requires the vendor to compensate their workers or how much UC policy requires vendors to compensate their workers, whichever is higher. To ensure that workers get the message, the vendor is supposed to provide this information again each January and within seven days of any change in the worker’s hourly rate of compensation. In this way, the workers will be armed with the information they need to quickly verify whether or not the vendor is actually complying with the Equal Pay for Equal Work standard. If the vendor is not, the worker will be able to seek compensation accordingly. (*See Comment 3, below, for a discussion of the legal remedies offered by the bill.*)

Second, the bill obligates vendors twice a year to send “basic payroll information” to the UC and members of any joint labor-management committee or similar meeting body that the UC and the unions representing its employees have established. This basic payroll information includes details about each worker’s rate of pay and compensation for the last six months, as well as the number of hours that the worker has logged overall, and while assigned to perform services for the UC during that same period. The resulting data permits the UC and the unions representing UC employees to audit the vendor’s payroll and detect any violations of the Equal Pay for Equal Work standard. If they discover any such violations, they can alert the impacted worker (since the basic payroll information includes contact information for the vendor’s workers as well) and either the impacted worker can seek compensation for the violation or a UC employee can seek compensation on the worker’s behalf. (*See Comment 3, below, for a discussion of the legal remedies offered by the bill.*)

3. Right to cure and remedies

In addition to creating the compliance monitoring regime described in Comment 2, above, the bill also establishes an enforcement mechanism in the event that vendors fall below the Equal Pay for Equal Work standard, either inadvertently or in an attempt to skirt the law.

Under that enforcement mechanism, any employee of a vendor or of the UC could initiate a claim. To start, the employee would have to notify the vendor of the alleged violation and give the vendor 30 days in which to cure it. Within those 30 days, the

vendor has an opportunity to provide documentation that the vendor has or will make all of its workers who are performing services for the UC whole and that each of those workers received notification about the compensation to which they are entitled under the Equal Pay for Equal Work standard.

If the vendor fails to cure the violation in time, the employee that initiated the claim can proceed to file a civil action against the vendor in superior court. If the employee prevails in that action, the employee is entitled to an award of attorney's fees and costs. What else the employee may obtain from the case depends on the violation alleged.

If the violation involved under-compensation, then the vendor must make the affected worker whole and pay the affected worker statutory penalties in an amount determined by the gravity and extent of the violation.

If the violation at issue involves failure to provide the notices to workers or failure to share the basic payroll information with the UC and the UC employee unions as required under the bill, then the court may also order the vendor to pay a penalty equal to 10 percent of the value of the vendor's contract with UC. Such a penalty would go directly to the General Fund.

Regardless of the nature of the underlying violation, the court must also disqualify the vendor from contracting with the UC again for at least five years.

These are tough consequences. As the inclusion of a right to cure underscores, however, their purpose is not so much to punish violations as to discourage vendors from violating the Equal Pay for Equal Work standard in the first place and to encourage those vendors to fix any inadvertent lapse promptly.

4. Privacy considerations

As discussed in Comment 2, above, the bill enables the UC and the unions for UC employees to monitor vendor compliance with the Equal Pay for Equal Work standard. The bill does so by requiring vendors to send a complete set of "basic payroll records" to both the UC and to the unions at regular intervals. As defined in the bill, basic payroll records include far more than just the name of the employee, how much the employee has worked, and what compensation the employee received in return. As defined in the bill, basic payroll records also include the worker's mobile telephone number, email, work location, and home address.

It is understandable, from a policy perspective, why this information could be helpful in monitoring compliance with the Equal Pay for Equal Work standard and for ensuring that all individual workers receive compensation in the event that a violation of that standard is detected. Nevertheless, the breadth and detail of the information and how widely available it would be raises considerable privacy concerns.

In apparent anticipation of these concerns, the bill contains a requirement that the vendor notify “all employees who agree to perform services for the university or continue doing so,” in writing, that the vendor is required to share “basic payroll information” with the UC. More specifically, the bill requires vendors to provide their workers with the following text:

Basic payroll information pertaining to all employees who accept an assignment or continue performing services for the University of California will be shared with the University of California to ensure that you are paid no less than required by contract or university policy and so that the University of California can provide you with a timely offer of employment as soon as you become eligible.

This notice does not directly warn workers that their full name, their personal mobile telephone number, their email, their work location, and their home address will be turned over to the UC. Nor does the language alert workers that, in addition to going to the UC, this information will go to the joint labor organizing committee and will be made available to any employee of the UC or that employee’s representative upon request.

Recognizing these concerns, the author proposes to offer amendments in Committee that limit access to this private information to the UC, the unions representing UC employees, and any individual UC employee, upon request, as to that individual’s basic payroll information only. The amendments offered by the author also expand the text of the notice to ensure workers understand the full scope of the information about them that will be disclosed.

5. Proposed amendments

In order to address the issues set forth in the Comments, above, the author proposes to incorporate amendments into the bill that would:

- expand the content of the notice to vendor employees regarding disclosure of basic payroll information so that it more fully reflects what information will be shared and with whom; and
- clarifies that an individual UC employee or that employee’s designated representative may request the basic payroll information for that individual employee only.

A mock-up of the amendments in context is attached to this analysis.

6. Arguments in support of the bill

According to the author:

The University of California has in place a policy – Equal Pay for Equal Work – that requires vendor companies that have one of an estimated 400 service contracts with UC to pay their company’s employees wages and benefits equal to what UC pays its own service workers who work directly for UC. UC’s response to possible vendor company violations of this policy highlights the need for SB 1364 and the pay information required under the bill – “The University is not the employer of these individuals and does not have this information.” Thousands of impacted service workers do not work for UC nor are they covered by a collective bargaining agreement. And since no law requires the private employers to tell these workers, the University, or any state agency how wages and benefits being paid compared to what the UC Equal Pay for Equal Work requires, there is no effective or legal way for workers to enforce the UC policy or a path for workers to recover their lost wages.

As sponsor of the bill, the American Federation of State, County, and Municipal Employees writes:

SB 1364 would allow company employees to enforce the UC policy of Equal Pay for Equal Work by requiring a vendor to supply to UC and any joint labor-management committee the basic payroll information necessary to know if a vendor is abiding by UC policy. The bill would also require a vendor to supply a written notice to their employees about the relevant compensation rates. A vendor would have an opportunity to correct and cure any violation under the bill. A failure to cure will give company employees the right to recover wages owed. Violation of the law would disqualify a vendor for a minimum of five years from contracting with UC for service work.

In support, the California Labor Federation writes:

The enforcement mechanisms in this bill are important to ensure that the UC’s Equal Pay for Equal Work policy is followed. Contracted workers are not covered by any collective bargaining agreement, making it difficult to track wages and benefits. As one of California’s largest employers, the University of California has a duty to lead by example and enforce fair business practices. SB 1364

will ensure that all workers are compensated fairly for duties performed regardless of status.

7. Arguments in opposition to the bill

In opposition to the bill, Central City Association of Los Angeles writes:

SB 1364 [...] raises significant financial concerns and hurdles for vendors and small businesses who contract with the University of California. [...] Administrative and legal barriers put in place by this bill could have severe financial consequences by jeopardizing potential contracts between the University and vendors. SB 1364, if enacted, will place a substantial burden on vendors, many of which are small businesses, who choose to contract with the University of California, hindering economic development throughout both the UC system and California.

SUPPORT

American Federation of State, County, and Municipal Employees, Local 3299 - University of California (sponsor)
American Federation of State, County, and Municipal Employees, AFL-CIO
American Federation of State, County, and Municipal Employees Council 36
American Federation of State, County, and Municipal Employees Council 57
American Federation of State, County, and Municipal Employees, Local 1902 - Metropolitan Water District
American Federation of State, County, and Municipal Employees, Local 206 - Union of American Physicians and Dentists
American Federation of State, County, and Municipal Employees, Local 1001 - Metropolitan Water District
American Federation of State, County, and Municipal Employees, Local 4911 - United Emergency Medical Services Workers
American Federation of State, County, and Municipal Employees - United Nurses Associations of California- Union of Health Care Professionals
Alameda Labor Council, AFL-CIO
AYPAL: Building API Community Power
California Employment Lawyers Association
California Immigrant Policy Center
California Labor Federation, AFL-CIO
California League of United Latin American Citizens
California Teachers Association
Central Labor Council Contra Costa County, AFL-CIO
Central Labor Council Fresno, Madera, Tulare, Kings Counties, AFL-CIO
Chinese for Affirmative Action

Garment Worker Center
Five Counties Central Labor Council
Laane A New Economy For All
Los Angeles County Federation of Labor, AFL-CIO
Monterey Bay Central Labor Council, AFL-CIO
Sacramento Central Labor Council, AFL-CIO
San Francisco Labor Council, AFL-CIO
Service Employees International Union, California
South Bay Labor Council, AFL-CIO
Union of American Physicians and Dentists
UNITE HERE, AFL-CIO
United Farm Workers
United Food and Commercial Workers, Western States Council
United Food and Commercial Workers, Local 324
United Nurses Associations of California/Union of Health Care Professionals
Warehouse Worker Resource Center

OPPOSITION

Central City Association of Los Angeles

RELATED LEGISLATION

Pending Legislation: None known.

Prior Legislation:

ACA 14 (Gonzalez, 2019) would have amended Article IX of the State Constitution by adding the University of California (UC) Equal Employment Opportunity Standards Act. The Act would have required the Regents of the UC to ensure that all contract workers who are paid to perform support services are afforded the same equal employment opportunity standards as university employees performing similar services. This bill died on the Senate inactive file.

SB 574 (Lara, 2017) would have modified contractor requirements, including establishing thresholds for employee compensation, for qualifying as a lowest responsible bidder or best value awardee for contracts for materials, goods, and services at the UC. In his message vetoing the bill, Governor Brown wrote: "Good intentions [...] aren't always enough. The mechanism to create this social change locks in cumbersome and overly costly contracting rules that provide little flexibility, regardless of circumstance. This will not serve the university or the state well."

SB 959 (Lara, Ch. 2016) was nearly identical to SB 574. In his message vetoing the bill, Governor Brown wrote: "[I]t would be prudent to await the recommendations from the State Auditor before embarking on the path prescribed by this bill."

SB 376 (Lara, 2015) was nearly identical to SB 959. In his message vetoing the bill, Governor Brown wrote: "The effort to provide increased compensation to those who work for UC - either directly or on a contract basis - is well-intentioned, but I'm not prepared to embrace the provisions of this bill."

PRIOR VOTES:

Senate Labor, Public Employment and Retirement Committee (Ayes 3, Noes 1)

Amended Mock-up for 2021-2022 SB-1364 (Durazo (S) , Caballero (S))

Mock-up based on Version Number 99 - Introduced 2/18/22

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Part 4.7 (commencing with Section 1475) is added to Division 2 of the Labor Code, to read:

PART 4.7. UNIVERSITY OF CALIFORNIA VENDORS

1475. As used in this article:

(a) "Agreement" means "contract."

(b) "Basic payroll information" means, for each vendor-supplied employee who performed services for the university at any time during the preceding six-month period, the following information:

(1) The employee's full name, job title, mobile telephone number, email, and home address.

(2) Work location.

(3) The employee's hourly rate of pay for each pay period during the preceding six-month period.

(4) The hourly value of employer-paid benefits provided to the employee, if any, for each pay period during the preceding six-month period.

(5) The employee's hours of work for each pay period during the six-month period

(6) The employee's hours of work performing services for the university for each pay period during the six-month period.

(c) "Contract" includes any written instrument, purchase order, change order, order, requisition, service agreement, or other written or electronic document, however titled, reflecting an agreement that the vendor will perform services or supply the university with employees to perform services in exchange for payment.

(d) "Employee" includes any contract worker, or individual employed by any vendor, or otherwise supplied to the university by any vendor, to perform services for the

university. "Employee" also includes an individual treated by either the vendor, a subcontractor, or the university as an independent contractor.

(e) "Employer" means any person, as defined in Section 18, who directly or indirectly, or through an agent or any other person, employs or exercises control over the wages, hours, or working conditions of any person.

(f) "Hourly value of employer-provided benefits" means the employer's actual cost for the employee's retirement, health, dental, vision, life and disability benefits, if any, calculated as an hourly dollar amount. It does not include any paid time off or any payroll expenses required by law. For any employee who does not receive employer-provided benefits, the hourly value is zero dollars (\$0).

(g) "Services" means work customarily performed by bargaining unit employees of the university, including, but not limited to, the following services: cleaning, custodial, janitorial, or housekeeping services; food services; laundry services; grounds keeping, nonskilled crafts building maintenance; transportation and parking services; security services; billing and coding services; sterile processing; hospital and nursing assistant services; respiratory therapy; and medical imaging services.

(h) "Subcontractor" means any person, employer, supplier of labor, staffing agency, temporary services employer, or other entity that performs services for the university or supplies employees to perform services, pursuant to a contract with a vendor.

(i) "Total compensation rate" means the employee's hourly rate of pay plus the hourly value of employer-provided benefits, or the equivalent compensation.

(j) "University" means the University of California.

(k) "Vendor" means contractor and includes any person, employer, supplier of labor, staffing agency, temporary services employer, labor broker, management services provider or other entity that contracts with the university to perform services or to supply the university with its own employees or those of a subcontractor to perform services. "Vendor" also means any person acting either individually or as an officer, agent, or employee of a vendor.

1476. (a) It shall be unlawful for any vendor to accept payment of more than one thousand dollars (\$1,000) from the university pursuant to a contract for services if the vendor is performing services or supplying the university with employees to perform services who are paid less than the total compensation rate specified in the vendor's contract with the university or required by university policy, whichever is higher.

(b) The following may constitute evidence of a vendor's intent to deceive or defraud the university or employees supplied to the university to perform services:

(1) A vendor's failure to comply with Section 2810.5.

(2) A vendor's failure to comply with subdivision (c) or (d).

(3) A vendor's failure to submit to an audit or to supply an independent audit of its payroll records at the university's request.

(c) A vendor that supplies the university with employees to perform services, shall provide those employees with written notice of the total compensation rate specified in the vendor's contract or required by university policy, whichever is higher, and the employee's hourly rate of pay and hourly value of employer-provided benefits. The vendor shall provide employees with these notices at the time each employee is assigned to perform services for the university and thereafter, each January, and within seven days of a change to the employee's hourly rate.

(d) (1) In January and July of each year, the vendor shall provide basic payroll information to the university and members of any joint labor-management committee or similar meeting body established with the exclusive representative of university employees who perform the same or similar services. The vendor shall provide all employees who agree to perform services for the university or continue doing so with written notice of this requirement and the written notice shall ~~also~~ include the following text:

"Basic payroll information pertaining to all employees who accept an assignment or continue performing services for the University of California will be shared with the University of California and the organizations that represent University of California employees. The information that will be shared includes your full name, work location, mobile telephone number, email, and home address. The purpose of sharing this information is to ensure that the University of California and the organizations that represent University of California employees can contact you if they discover you have been~~are~~ paid ~~no~~ less than required by contract or university policy and so that the University of California can provide you with a timely offer of employment as soon as you become eligible."—

(2) Basic payroll information for an individual employee who performs services for the university shall also, upon request, be made available for inspection by that individual employee or that individual employee's designated representative or be furnished ~~on request to an that individual~~ employee ~~who performs services for the university~~ or ~~that~~ individual employee's authorized representative.

(e) Any employee or university employee may provide a vendor with written notice of a violation of this section and provide the vendor with the opportunity to correct and cure the violation and thereafter file suit only if the vendor fails to provide documentation, within 30 days, demonstrating that all of the employees the vendor supplied to the university to perform services have been or will be made whole, that each has been provided with the notices required by this section, and that each is receiving a total

compensation rate no less than the rate specified in the vendor's contract or in university policy, whichever is higher.

(f) Any employee or university employee may bring a civil action for violation of this section against a vendor in the superior court of any county in which the university operates.

(g) If a claimant prevails in an action brought under this section, the court shall order the following:

(1) Any vendor that supplies the university with any employee who is paid a total compensation rate less than the minimum fixed by contract or university policy to pay a civil penalty and restitution, as follows:

(A) For any initial violation of subdivision (a), one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee is underpaid. This amount shall be in addition to an amount sufficient to recover underpaid wages.

(B) For each subsequent violation of subdivision (a), two hundred fifty dollars (\$250) for each underpaid employee for each pay period for which the employee is underpaid. This amount shall be in addition to an amount sufficient to recover underpaid wages.

(C) For each knowing and intentional failure by a vendor to comply with subdivision (c) or (d), fifty dollars (\$50) per employee for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000) per employee. This amount shall be in addition to an amount sufficient to recover underpaid wages.

(D) Wages and civil penalties recovered pursuant to this subdivision shall be paid to the affected employee.

(E) In the court's discretion, any or all other amounts paid by the university to the vendor on or after January 1, 2023, that exceed the compensation provided to underpaid employees. These amounts shall be returned to the university.

(2) A vendor that violates subdivision (c) or (d) to pay a civil penalty of up to 10 percent of the amount paid by the university to the vendor during the same year or years, for deposit into the General Fund.

(3) The disqualification of the vendor, for a minimum of five years, from submitting any bid to the university, or executing, renewing, or extending any contract with or otherwise receiving payment from the university in exchange for services.

(4) Attorney's fees and costs.

(h) The remedies provided for in this section are in addition to any other remedies provided by law. The civil penalties provided for in this section are in addition to any other penalties provided by law except that an employee shall not also receive civil penalties provided for in Section 226 or 1197.1.