

**CIVIL RIGHTS COUNCIL
PROPOSED MODIFICATIONS TO EMPLOYMENT REGULATIONS
REGARDING AUTOMATED-DECISION SYSTEMS
[Notice published May 17, 2024]**

NOTICE OF PROPOSED RULEMAKING

The Civil Rights Council (Council) proposes to modify regulations implementing the employment provisions of the Fair Employment and Housing Act (Gov. Code § 12900 et seq.), California Code of Regulations, Title 2, Division 4.1, Chapter 5, Subchapter 2, after considering all comments, objections, and recommendations regarding the proposed action.

PUBLIC HEARING

The Council will hold a public hearing beginning at 10 a.m. on July 18, 2024, at the following virtual and physical locations:

**University of California Berkeley
School of Law
Law Building #7200 (2763-2719 Bancroft Way)
Berkeley, CA 94704
Room 132**

Members of the public may also join the hearing remotely using the following information:

<https://us02web.zoom.us/j/88399120355>

or

1-669-900-6833 and Webinar ID: 883 9912 0355

At the hearing, any person may present statements or arguments orally or in writing relevant to the proposed regulatory action. The Council requests but does not require that persons who make oral comments at the hearing also submit a written copy of their testimony at or before the hearing.

The meeting facilities are accessible to individuals with disabilities. Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in the hearing, should contact CRD's ADA Coordinator, at 800-884-1684 (voice) or 800-700-2320 (TTY) or via email at accommodations@calcivilrights.ca.gov as soon as possible or at least 72 hours before the meeting.

WRITTEN COMMENT PERIOD

Any interested person, or their authorized representative, may submit written comments relevant to the proposed regulatory action to the Council. The written comment period ends on **July 18, 2024, at 5 p.m.** The Council will consider only comments received by the end of that day. Written comments may be mailed to:

Civil Rights Department
c/o Rachael Langston, Assistant Chief Counsel
555 12th Street – Suite 2050
Oakland, CA 94607
Telephone: (916) 478-7251

Comments may also be submitted by e-mail to Council@calcivilrights.ca.gov
Although not required, comment submission via email is strongly preferred.

AUTHORITY AND REFERENCE

Government Code section 12935(a) authorizes the Council to adopt these proposed regulations. The proposed regulations implement, interpret, and make specific section 12900 et seq. of the Government Code.

INFORMATIVE DIGEST/ POLICY STATEMENT OVERVIEW

This rulemaking action clarifies, makes specific, and supplements existing state regulations interpreting the employment provisions of the Fair Employment and Housing Act (“FEHA”) set forth in Government Code section 12900 et seq. As it relates to employment, FEHA prohibits harassment and discrimination because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decision-making, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or veteran or military status of any person.

In compliance with the Administrative Procedure Act, the Council proposes to adopt these rules as duly noticed, vetted, and authorized regulations. The overall objective of the proposed regulations is to provide clarity regarding FEHA obligations and requirements as they relate to the use of automated-decision systems or other selection criteria in the employment context. This action has the specific benefit of decreasing the number of employment-related FEHA violations through providing comprehensive guidance to employees, applicants, employers and other covered entities, and employers’ agents (including third parties that provide or use automated-decision systems on behalf of employers or other covered entities) to help them better understand their respective rights and obligations. By clarifying how the employment provisions of FEHA apply to automated-decision systems and other selection criteria, this action will also reduce litigation costs and the burden on the courts. Ultimately, the proposed action furthers the mission of CRD by protecting Californians from employment discrimination.

The Council has determined that the proposed amendments are not inconsistent or incompatible with existing regulations. Currently, there are no regulations expressly addressing the use of automated-decision systems to make or assist in making hiring or other employment decisions. After conducting a review for any regulations that would relate to or affect this area, the Council has concluded that these are the only regulations that concern Government Code section 12900 et seq.

DISCLOSURES REGARDING THE PROPOSED ACTION

The Council has made the following initial determinations:

Mandate on local agencies and school districts: No additional mandate beyond that imposed by existing law.

Cost or savings to any state agency: No additional costs or savings beyond those imposed by existing law.

Cost to any local agency or school district, which must be reimbursed in accordance with Government Code sections 17500 through 17630: None.

Other nondiscretionary cost or savings imposed on local agencies: No additional costs or savings beyond those imposed by existing law.

Cost or savings in federal funding to the state: None.

Cost impacts on a representative private person or businesses: No additional costs or savings beyond those imposed by existing law. Therefore, the agency is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Results of the economic impact assessment/analysis: The Council anticipates that the adoption of the regulations will not impact the creation or elimination of jobs within the state, the creation of new businesses or the elimination of existing businesses within the state, or the expansion of businesses currently doing business within the state. To the contrary, adoption of the proposed amendments is anticipated to benefit California applicants, employees, employers, and agents by clarifying and streamlining the operation of the law, making it easier to understand respective rights and obligations, and reducing litigation costs. These regulations would not affect the environment.

Statewide adverse economic impact directly affecting businesses and individuals: The Council has made an initial determination that the proposed action will not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

Significant effect on housing costs: None.

Small Business Determination: The Council anticipates that the regulations will not create additional costs or savings beyond those imposed by existing regulations. Similarly, the Council has determined that there is no impact on small businesses as a result of this proposed action because these regulations primarily serve to clarify existing law.

Business Report: The Council has determined that the proposed regulations do not require a report to be made.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5(a)(13), the Council must determine that no reasonable alternative it considered or that has otherwise been identified and brought to the Council’s attention would be more effective in carrying out the purpose for which this action is proposed, or would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Council has thus far not become aware of a better alternative and invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations at the scheduled hearing or during the written comment period.

CONTACT PERSONS

Inquiries concerning the proposed administrative action may be directed to:

Rachael Langston, Assistant Chief Counsel
Civil Rights Department
555 12th Street – Suite 2050
Oakland, CA 94607
Telephone: (916) 478-7251
E-mail: council@calcivilrights.ca.gov

The backup contact person for these inquiries is:

Mariel Block, Senior Legislative and Regulatory Affairs Counsel
Civil Rights Department
555 12th Street – Suite 2050
Oakland, CA 94607
Telephone: (916) 478-7251
E-mail: council@calcivilrights.ca.gov

Please direct requests for copies of the proposed text (express terms) of the regulations, the Initial Statement of Reasons, any modified text of the proposed regulations, or other information upon which the rulemaking is based, should other sources be used in the future, to Rachael Langston at the above address.

AVAILABILITY OF STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS, AND RULEMAKING FILE

The Council will have the entire rulemaking file available for inspection and copying throughout

the rulemaking process at its office at the above Oakland address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulations, and the Initial Statement of Reasons. Copies may be obtained by contacting Rachael Langston at the address, email, or phone number listed above.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After holding the hearing and considering all timely and relevant comments received, the Council may adopt the proposed regulations substantially as described in this notice. If the Council makes modifications that are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before the Council adopts the regulations as revised. Please send requests for copies of any modified regulations to the attention of Rachael Langston at the address indicated above. The Council will accept written comments on the modified regulations for 15 days after the date on which they are made available.

AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, the Final Statement of Reasons will be available on the Council's webpage: <https://calcivilrights.ca.gov/civilrightscouncil/>.

Copies also may be obtained by contacting Rachael Langston at the above address.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, the text of the regulations, any modified texts, and the Final Statement of Reasons can be accessed through the Council's webpage at <https://calcivilrights.ca.gov/civilrightscouncil/>.