

**TITLE 2. CIVIL RIGHT DEPARTMENT
CONTRACTOR NONDISCRIMINATION AND COMPLIANCE REGULATIONS**

[Notice published April 11, 2025]

NOTICE OF PROPOSED RULEMAKING

The Civil Rights Council (Council) proposes to modify regulations implementing Government Code section 12990 of the Fair Employment and Housing Act (FEHA), which imposes anti-discrimination obligations on state contractors and subcontractors. The proposed modifications also implement the employment provisions of FEHA as well as the provisions of Article 9.5 of Chapter 1 of Division 3 of Title 2 of the Government Code of the Government Code (Gov. Code § 11135, et seq.). Specifically, the Council proposes to modify California Code of Regulations, Title 2, Division 4.1, Chapter 5, Subchapters 1, 5, and 9. The Council will consider all comments, objections, and recommendations regarding the proposed action.

PUBLIC HEARING

The Council will hold a public hearing beginning at 11:00 a.m. on Friday, June 6, 2025, at the following virtual and physical locations:

Civil Rights Department, Los Angeles Office
Junipero Serra State Office Building
320 West Fourth Street, Suite 1000, 10th Floor
Los Angeles, CA 90013

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

<https://us02web.zoom.us/j/81335415035>

and/or

Phone: (669)900-6833 and Webinar ID: 813 3541 5035

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 hearing is open to the public and is accessible to individuals with disabilities. If you require a disability-related accommodation or modification of policies or procedures to participate in the meeting, make a request as soon as possible or at least five business days before the meeting by contacting Mimi de Ville, CRD's ADA Coordinator by e-mail: accommodations@calcivilrights.ca.gov or by telephone: (844) 541-2877 (voice); (800) 700-2320 (TTY); or California's Relay Service at 711.

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 **June 6, 2025, at 5 p.m.** The Council will consider only comments received by the end of that day. Written comments can be emailed to:

Council@calcivilrights.ca.gov

or mailed to:

Civil Rights Council
c/o Suge Lee, Senior Legislative and Regulatory Counsel
Civil Rights Department
555 12th Street – Suite 2050
Oakland, CA 94607
Telephone: (916) 477-5795

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. and Article 9.5 (section 11135 et seq.) of the Government Code.

INFORMATIVE DIGEST/ POLICY STATEMENT OVERVIEW

This rulemaking action clarifies, makes specific, and supplements existing state regulations implementing Government Code section 12900 of the Fair Employment and Housing Act (FEHA) and Article 9.5 of Chapter 1 of Division 3 of Title 2 of the Government Code (“Article 9.5”). 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. (Gov. Code § 12940.) Additionally, under FEHA, an “employer who is, or wishes to become, a contractor with the state for public works or for goods and services” is subject to the requirements of FEHA and “[e]very state contract or subcontract...shall contain a nondiscrimination clause prohibiting discrimination” in violation of FEHA. (Gov. Code § 12990(a), (c).) Article 9.5 addresses discrimination in state-funded and state-administered programs and activities because of sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, or sexual orientation. (Gov. Code § 11135.)

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 further implement, interpret, and/or make specific FEHA and Article 9.5 and clarify the applications of those statutes to state contractors, subcontractors, and recipients (as defined by Cal. Code Regs., tit. 2, § 14020(pp)). This action also has the specific benefits of ensuring the regulations' consistency with current state (and, where applicable, federal) caselaw, statutes, and regulations; and decreasing the number of FEHA and Article 9.5 violations through providing comprehensive guidance to state contractors, subcontractors, and recipients.

The Council has determined that the proposed amendments are not inconsistent or incompatible with existing regulations. 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 the antidiscrimination state contractor provisions in FEHA and Article 9.5.

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, the expansion of businesses currently doing business within the state. To the contrary, adoption of the proposed amendments is anticipated to benefit the health and welfare of California residents as well as state-funded and state-administered programs and activities 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 worker safety or 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:

Suge Lee, Senior Legislative and Regulatory Counsel
Civil Rights Department
555 12th Street – Suite 2050
Oakland, CA 94607
Telephone: (916) 477-5795
E-mail: suge.lee@calcivilrights.ca.gov

The backup contact person for these inquiries is:

Rachael Langston, Assistant Chief Counsel
Civil Rights Department
555 12th Street – Suite 2050
Oakland, CA 94607
Telephone: (916) 478-7251
E-mail: rachael.langston@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 Suge Lee 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 Suge Lee 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 Suge Lee 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 Suge Lee 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/>.

ATTACHMENT B