

ALERT

Campaign Launches to Fix Workers' Comp System



Californians for Fair Workers' Compensation, a coalition focused on

strengthening the state's workers' compensation system, this week launched [Fix CA Workers' Comp Now](#).

The new statewide campaign urges lawmakers to enact commonsense reforms that protect the system and its benefits for workers who are injured on the job, and bring rising costs under control.

The California workers' compensation system — created to provide medical care and wage replacement for injured workers — covers 17.7 million workers and has ballooned to more than \$24 billion.

In recent years, costs within the system have increased dramatically due to a surge in cumulative trauma claims. Under current law, claims can be filed long after an alleged injury occurs, and employers can be held liable even if only a small portion of an injury is work-related — loopholes that campaign support-

ers say are being exploited by bad actors. Those impacts are driving up costs and driving down affordability of goods and services statewide.

Restore Balance

“Workers' compensation should be there for people who are truly injured on the job, but abuse is undermining trust and diverting resources away from legitimate claims,” said Tim East, spokesperson for Californians for Fair Workers' Compensation. “We need lawmakers to restore balance by shoring up the law and requiring claims to be based on real evidence and connection to work.”

Rising costs are putting increasing pressure on employers of all sizes, from small businesses to local governments. The impact on taxpayer-funded budgets is forcing difficult tradeoffs for public services, with the average annual cost of cumulative trauma claims hovering around \$238 million for local governments, according to PRISM research.

Local Governments

Local governments are seeing these rising costs firsthand.

See Coalition: Page 4

Cost Drivers Held in Assembly Appropriations



A number of bills identified by the California Chamber of Commerce as **Cost Drivers** that

would have made the state less affordable for businesses and consumers failed to move out of the Assembly Appropriations Committee last week.

Held in Assembly Appropriations on May 14 were bills that would have hampered the ability of businesses to use technology in employment or health care settings, expanded the California Environmental Quality Act (CEQA), exposed employers to costly litigation, hurt supply chains, and increased food costs.

The committee delayed action on legislation watched closely by international companies because of its impact on tax liabilities.

The bills not moving are as follows:

Labor and Employment

- **AB 1898 (Schultz; D-Glendale) Onerous Notice Requirement.** Requires public and private employers of all sizes to issue a voluminous number of notices regarding even the most routine technologies and for those notices to include confidential and proprietary information. The bill also effectively gives all employees and independent contractors veto power over the employer deploying new technology.

See Cost Drivers Held: Page 5

Inside

[Self-Audit for Form I-9 Errors: Page 2](#)




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*Labor Law Corner***Self-Audit Helps Ensure Prompt Correction of *Form I-9* Errors**

Lisa Guzman
Employment Law
Expert

During a self-audit of our Forms I-9, we discovered that one of our employees had filled out the Spanish language Form I-9 instead of the English Form I-9. Is this an issue and if so, what should we do to correct this?

Yes, this is likely an issue. Employers and employees in the United States, except Puerto Rico, must complete the English version of *Form I-9*. As discussed below, it is important to correct promptly any *Form I-9* errors that an employer discovers in a self-audit.

English *Form I-9* Required

The Immigration Reform and Control Act of 1986 requires all employers and employees in the United States to complete the English *Form I-9*. Only employers and employees in Puerto Rico may fill out the Spanish language version.

Spanish-speaking employers and employees in the 50 states and other U.S. territories can print out the Spanish *Form I-9* and instructions to use as a translation tool, in addition to allowing the employee to use a preparer or a translator, but the *Form I-9* must be completed in English to meet employment eligibility verification requirements.

Correcting *Form I-9* Errors

If an employer discovers errors or missing information during an internal *Form I-9* audit, it is important that the

employer take steps to correct the errors as soon as possible.

In this case, an employer self-audit revealed that an employee filled out the Spanish *Form I-9* instead of the English form they should have used. The employer should correct this error immediately by reaching out to the affected employee and asking that they complete the current English version of the *Form I-9*. The current *Form I-9* is dated 01/20/25 and is valid through May 31, 2027.

The employer should attach the new English *Form I-9* to the old Spanish *Form I-9* in the file. The employer also should attach a signed written memo explaining that a new *Form I-9* was created because the employer discovered, during an internal audit, that the Spanish language version was used in error.

The U.S. Citizenship and Immigration Services (USCIS) provides employers with information on how to correct different types of *Form I-9* errors and missing information at [I-9 Central | USCIS](#) and in the [Handbook for Employers M-274 | USCIS](#).

Going forward, this employer should update their *Form I-9* compliance policies

See Self-Audit Helps: Page 4

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More information at www.calchamber.com.
Human Resources

Cal/OSHA Consultation Program Overview and Key Updates. May 28, Free Member Webinar. [Contact account manager](#).

HR Boot Camp. CalChamber. June 4–5, September 10–11, [Virtual Seminar](#). (800) 331-8877.

Wage & Hour 101: Exempt Employees. CalChamber. June 18, [Webinar](#). (800) 331-8877.

Supervisor Essentials. CalChamber, July 16, [Virtual Seminar](#). (800) 331-8877.

Leaves of Absence. CalChamber. August 6–7, [Virtual Seminar](#). (800) 331-8877.

Mid-Year Update (1-Hour Free Member Webinar). CalChamber. August 20. (800) 331-8877.

Conducting California Workplace Investigations. CalChamber. August 27, [Virtual Seminar](#). (800) 331-8877.

California Pregnancy Disability and Child Bonding Leaves. CalChamber. September 17, [Webinar](#). (800) 331-8877.

Simplifying Local Ordinances: Helpful Resources for California Employers.

CalChamber. [Webinar recording](#). (800) 331-8877.

California Employers' Guide to AI Decision Making. CalChamber. [Webinar recording](#). (800) 331-8877.

Navigating Paid Sick Leave and Time Off Requirements in California. CalChamber. [See CalChamber-Sponsored: Page 3](#)

CalChamber Calendar

California Business Outlook and Dinner:
June 10, Sacramento

Next Alert: June 5

CalChamber Supports Modernization of African Trade Preference Program



The California Chamber of Commerce is supporting a process recently begun by the

U.S. Trade Representative (USTR) to modernize a trade preference program for certain African nations.

Modernization of the African Growth and Opportunity Act (AGOA) is a strategic effort to strengthen U.S. trade competitiveness in sub-Saharan Africa, improve reciprocal trade relationships, and address long-standing structural limitations in the current program.

For U.S. exporters, particularly small and medium-sized enterprises (SMEs), the modernization effort represents an opportunity to shape future market access conditions and reduce trade barriers in a growing region.

In comments submitted to the USTR on May 15, CalChamber expressed its longtime support for AGOA and the recent reauthorization of the trade preference program through the end of the year.

The AGOA provides duty-free entry into the United States for almost all African products. Congress last renewed the program for 10 years in 2015. The current short extension of the trade law was retroactive to September 30, 2025, the day it expired after the last renewal.

Model for Trade, Investment

CalChamber is pleased the administration is now engaged in modernizing the act. The trade preference program has been

the model behind U.S.-African trade and investment since it was enacted in 2000.

The program provides duty-free access to the U.S. market for eligible sub-Saharan African countries. But the USTR has identified challenges related to limited trade diversification, declining U.S. market share, and persistent barriers to U.S. exports in countries benefiting from the program.

CalChamber is supportive of this modernization and simplification effort, which signals a shift toward more reciprocal and performance-based trade engagement with sub-Saharan Africa. For SMEs, the potential reforms could lead to improved market access, reduced trade barriers, and expanded opportunities in emerging sectors such as infrastructure and critical minerals.

At the same time, increased enforcement of eligibility criteria may create a more predictable and transparent trade environment.

AGOA Benefits

The CalChamber urges long-term renewal of the AGOA, which affects 32 of the approximately 45 sub-Saharan nations (there are 54 nations on the entire continent). The AGOA has helped to expand and diversify African exports to the United States.

The AGOA can continue to be the cornerstone of economic relations between the United States and sub-Saharan African nations. Since 2000, the program has fostered increased trade and investment within Africa while raising standards by promoting fair treat-

ment for U.S. companies and farmers, human rights, anti-corruption efforts, and democracy.

U.S. businesses have invested \$8 billion annually under AGOA while African trading nations are opening their markets for U.S. agricultural products.

Africa is home to approximately 30% of the world's critical mineral resources. China has invested \$8 billion to \$10 billion in Africa to try to monopolize supply chains for these resources. AGOA is one of the United States' most valuable tools for securing long-term economic and national security.

The AGOA embodies a trade and investment-centered approach to development. Enactment of the AGOA has stimulated the growth of the African private sector and provided incentives for further reform.

By providing commercial incentives to encourage bilateral trade, the AGOA aims at transforming the relationship between the United States and sub-Saharan Africa away from aid dependence to enhanced commerce.

CalChamber Position

The CalChamber believes that it is in the mutual economic interest of the United States and sub-Saharan Africa to promote stable and sustainable economic growth and development in sub-Saharan Africa and that this growth depends in large measure upon the development of a receptive environment for trade and investment.

The CalChamber is supportive of the
See CalChamber Supports: Page 5

CalChamber-Sponsored Seminars/Trade Shows

From Page 2

ber. [Webinar recording](#). (800) 331-8877.

International Trade

Seafood Expo Bharat. India Marine Products Export Development Authority.

July 1–3. Chennai, India. [Event website](#).

Farnborough Airshow. GO-Biz to lead delegation of economic developers.

July 20–24, London, United Kingdom.

[Event website](#).

Aquatech: California Pavilion. GO-Biz with U.S. Commercial Service.

September 1–3, Mexico City, Mexico.

Registration deadline: June 1 or until spaces are filled. [See flyer](#).

Semicon Taiwan: California Pavilion.

GO-Biz. September 1–4, Taipei, Taiwan. Up to 8 California small businesses in semiconductor supply chain invited to apply. [See flyer](#).

2026 U.S. Business Day – Sourcing Meetings. Bureau of Foreign Trade (BOFT), Ministry of Economic Affairs; Taiwan External Trade Development Council (TAITRA); Department of Investment Services (DOIS), Ministry of Economic Affairs. October 13, Taipei, Taiwan. [More information](#).

Coalition Launches Campaign to Fix California Workers' Comp System

From Page 1

Torrance

The city of Torrance currently has 540 open workers' compensation claims, with total spending reaching \$87.7 million. Of those, 173 — 32% — are for cumulative trauma, amounting to \$32.4 million.

Workers' comp currently is costing the city about \$9.5 million each year, up from \$7 million just three years ago, said Torrance Mayor George K. Chen.

"These increasing costs force difficult budgetary tradeoffs and divert funding away from services residents rely on, including parks, infrastructure, staffing, training, workplace safety investments, and other core community needs," said Chen. "The city of Torrance supports reforms that improve accountability, reduce abuse, and create a more sustainable workers' compensation system while maintaining strong protections for employees with valid claims. Thoughtful reform can help local governments better manage costs, invest in injury prevention, and preserve resources for the essential services our residents depend on every day."

Los Angeles County

Larger jurisdictions are facing similar

pressures. Los Angeles County maintains the largest self-insured local governmental workers' compensation program in the state, with 33,000 pending workers' compensation claims and approximately 11,500 new claims each year.

In fiscal year 2024–25, workers' compensation expenses for LA County reached \$775 million, with outstanding liabilities of nearly \$3.93 billion. Those are tax dollars that are increasingly hard to come by, said Anthony Taras, Los Angeles County manager and workers' compensation administrator.

"California's workers' compensation system must be fair to injured workers and equitable, sustainable, and accountable to taxpayers," said Taras. "Every dollar spent on workers' comp represents a scarce tax dollar needed to provide critical services to County residents. We need focused reforms that restore balance and protect benefits for workers who need them — and we can't afford to wait."

Targeted Reforms

Fix CA Workers' Comp Now is urging California lawmakers to enact targeted reforms to stop abuse of the system, close

legal loopholes, and ensure the integrity of the workers' compensation system. Proposed reforms include:

- Requiring clear evidence and a meaningful connection between the injury and the job;
- Setting a reasonable filing deadline;
- Establishing a minimum employment period before cumulative trauma claims can be filed; and
- Requiring appropriate documentation to improve accountability.

Without action, rising costs and ongoing abuse will continue to undermine the system, putting greater strain on employers, taxpayers, and the workers it was designed to protect.

Learn more about efforts to [Fix CA Workers' Compensation Now](#).

The campaign is led by Californians for Fair Workers' Compensation, a coalition of dozens of organizations, employers and businesses representing hundreds of local governments, small businesses, school districts and nonprofits across California focused on advancing commonsense reforms to stop abuse, close legal loopholes, and restore integrity to the workers' compensation system.

Self-Audit Helps Ensure Prompt Correction of *Form I-9* Errors

From Page 2

and procedures and ensure that all future Forms I-9 are completed in English.

Increased Penalty Risk

The U.S. Immigration and Customs Enforcement (ICE) is authorized to conduct *Form I-9* audits and assess penalties against employers for failing to maintain accurate records.

ICE recently revised its *Form I-9* inspection policy and reclassified numerous common *Form I-9* violations from correctable "technical" violations to "substantive" violations, subject to immediate penalties.

For example, completion of the Spanish language *Form I-9* outside of Puerto Rico is now treated as a "substantive" violation under the new ICE inspection policy. The new substantive violations significantly increase the risk of penalties for employers. Current penalties range from \$288 to \$2,861 per *Form I-9* violation.

As a result, employers should conduct regular internal *Form I-9* audits. Along with ensuring compliance, self-audits can help employers identify *Form I-9* errors and make any necessary corrections before an ICE audit.

Employers should consult with legal

counsel if they have any questions about conducting a *Form I-9* internal audit or about *Form I-9* compliance or penalties.

For detailed guidance on [completing Form I-9](#), CalChamber members can visit the HR Library on [HRCalifornia](#).

Column based on questions asked by callers on the Labor Law Helpline, a service to California Chamber of Commerce preferred members and above. For expert explanations of labor laws and Cal/OSHA regulations, not legal counsel for specific situations, call (800) 348-2262 or submit your question at www.hrcalifornia.com.

Cost Drivers Held in Assembly Appropriations

From Page 1

• **AB 2027 (Ward; D-San Diego)**

Creates Barriers to Technology Investment and Job Growth. Its sweeping provisions effectively prohibit creating or improving technology used in the workplace, impacting everything from simple scheduling tools to life-saving technology developments in health care.

• **AB 2064 (Sharp-Collins; D-San Diego) Significantly Limits Ability to Consider Criminal History in Employment.** Exposes California employers to costly litigation and liability by adding “criminal history” as a protected class under both the Unruh Civil Rights Act and the Fair Employment and Housing Act, stripping businesses of the ability to make reasonable hiring and customer-service decisions based on an individual’s past criminal conduct.

Product Regulation

• **AB 2034 (Addis; D-Morro Bay) New Costly Regulatory Structure.** Establishes extensive, state-specific regulatory structure regarding food additives

that will significantly impact supply chains and increase food costs.

CEQA

• **AB 2170 (Boerner; D-Encinitas) CEQA Expansion.** Proposes to eliminate CEQA exemptions and ministerial review processes if certain types of projects are sited near “overburdened communities” and forces all environmental review documents to be translated into other languages, thereby exposing lead agencies and project applicants to new litigation liability.

• **AB 2569 (Hart; D-Santa Barbara) CEQA Expansion.** Significantly expands California Environmental Quality Act (CEQA) environmental impact report requirements, which will increase litigation exposure and costs for a permitting process that already causes some of the longest and most costly project delays in the country.

Food and Agriculture

• **AB 2447 (Bauer-Kahan; D-Orinda) Infeasible Mandates on Nitrogen Fertil-**

izer Application. Imposes scientifically unsupported, legislatively mandated deadlines on California farmers before the State’s own expert panel has finished determining what is even achievable — threatening thousands of agricultural jobs, driving up food costs for California families, and dismantling the very programs currently providing safe drinking water to affected communities.

Taxation

Assembly Appropriations postponed a hearing on a bill that will increase taxes significantly for international businesses, **AB 1790 (Connolly; D-San Rafael).** The bill remains eligible for a vote at a later time.

If adopted, AB 1790 would eliminate the water’s-edge election, forcing all taxpayers to file on a worldwide combined reporting basis. Requiring businesses to report revenues from international affiliates would subject income generated in foreign countries to taxes and risk retaliation by trading partners.

CalChamber Supports Modernization of African Trade Preference Program

From Page 3

United States seeking to facilitate market-led economic growth in, and thereby the social and economic development of, the countries of sub-Saharan Africa.

In particular, the CalChamber is supportive of the United States seeking to

assist sub-Saharan African countries and the private sector in those countries to achieve economic self-reliance.

Sub-Saharan Africa will have 25% of the world’s population by 2050. Economic self-reliance is critical for this growing population. By provid-

ing new market opportunities, AGOA can continue to help bolster economic growth, promote economic and political reform, and improve U.S. economic relations in the region.

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