

Department of Finance		<b>Fund: 3078</b>
<b>STATE OF CALIFORNIA</b> <b>MANUAL OF STATE FUNDS</b>		<b>PAGE 1</b>
		Renumbered From:
<b><u>Legal Title</u></b> Labor and Workforce Development Fund		
<b><u>Legal Citation/Authority</u></b> Government Code 13306 (a) – Administratively Created Chapter 221, Statutes of 2004 Labor Code section 2699		
<b><u>Fund Classification</u></b> <b><u>GAAP Basis</u></b> Governmental/Special Revenue Funds	<b><u>Fund Classification</u></b> <b><u>Legal Basis</u></b> Governmental/Other Governmental Cost Funds	
<b><u>Purpose</u></b> Chapters 329 and 906, Statutes of 2003 directs penalties to be distributed to the Labor and Workforce Development Agency (Agency) for the purpose of educating employers and/or employees about state labor laws. This fund was administratively created as a depository for those penalties.  Chapter 329, Statutes of 2003 (AB 276), provides that 12.5% of employer penalties for failure to pay wages or unlawfully withhold wages be placed in a fund within the Agency to educate employers about state labor laws. The remainder of the penalty is to be deposited in the General Fund.  Chapter 221 Statutes of 2004 (SB 1809), allows employees to bring civil actions to recover civil penalties provided for violations of the Labor Code. The statute specifies that the penalties collected are to be distributed as follows: 75 percent to the Labor and Workforce Development Agency, and 25 percent to the aggrieved employees. The Agency share is specified for use to fund the education of employers and employees about their rights and responsibilities under the Labor Code.		
<b><u>Administering Agency/Organization Code</u></b> Secretary for Labor and Workforce Development Agency/Org 0559		
<b><u>Major Revenue Source</u></b> Civil penalties collected.		
<b><u>Disposition of Fund (upon abolishment)</u></b> Pursuant to Government Code 16346, in the absence of language that identifies a successor fund, any balance remaining in this fund upon abolishment shall be transferred to the General Fund.		
<b><u>Appropriation Authority</u></b> The money in this fund will be used upon appropriation by the Legislature.		
<b><u>State Appropriations Limit</u></b> <b>Always Excluded</b> – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from penalties.		

**Comments/Historical Information**

Chapter 906, Statutes of 2003 (SB 796) originally distributed the penalties by 50 percent to the General Fund, 25 percent to the Labor and Workforce Development Fund and 25 percent to the aggrieved employees.