SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1729 (Lee) - State employment: telework programs

Version: May 18, 2026
Policy Vote: L., P.E. & R. 4 - 1, G.O. 13 - 0
Urgency: Yes
Mandate: No
Hearing Date: August 3, 2026
Consultant: Robert Ingenito

Bill Summary: AB 1729 would (1) amend and rename the existing State Employee Telecommuting Program, (2) require state agencies to evaluate their telework programs every 10 years, as specified, (3) require state agencies to provide a detailed, written justification to the California Department of Human Resources (CalHR) and to their employees if the agency requires its employees to report to a workplace, and (4) require the Department of General Services (DGS) to establish a telework dashboard displaying the cost benefits of state telework programs.

Fiscal Impact:

- DGS indicates that it would incur one-time costs of $663,000 in 2026-27 for contracted information technology staff to develop the required telework reporting system. DGS estimates ongoing costs of $1.2 million annually for six positions to maintain the system, coordinate statewide data collection efforts, manage reporting requirements, and oversee implementation of the bill (General Fund).

- DGS also indicates that the bill could result in ongoing costs of $8.9 million annually to other state departments, boards, and commissions for an estimated 50 analyst positions statewide. This estimate assumes each of the approximately 200 affected entities would require one-quarter of an analyst position to collect and submit required telework data to DGS. However, while the bill imposes data collection and reporting responsibilities on DGS, it does not expressly require other state entities to provide data to DGS.

- Any potential cost pressures to DGS or other state entities associated with expanded telework data collection, reporting requirements, and development of a statewide telework dashboard may be partially or fully offset by savings generated through maintaining or expanding telework programs.

Background: Current law requires state agencies to develop and implement telecommuting programs where telework is practical and beneficial, and requires the Department of General Services (DGS) to oversee statewide telework policies. Although these statutes date back to the 1990s, they have not been substantially updated despite the widespread expansion of telework during and after the COVID-19 pandemic.

Following the pandemic, many state employees continued working under hybrid telework schedules. In April 2024, Governor Newsom directed most state agencies to require employees to work in the office at least two days per week. In March 2025, the

Governor issued Executive Order N-22-25 increasing the in-office requirement to four days per week. The order prompted collective bargaining disputes, an unfair practice charge before the Public Employment Relations Board, and a subsequent one-year delay in implementation. In response, the Joint Legislative Audit Committee directed the State Auditor to review the state's telework policies and return-to-office decisions.

In August 2025, the State Auditor concluded that the Administration could have made better use of available information on departmental operational needs, office space utilization, and costs before expanding return-to-office requirements. The audit found that 19 departments spent approximately $117 million in 2024-25 to maintain underutilized office space under the two-day-per-week policy and estimated statewide savings from broader telework could reach approximately $225 million. The Auditor also found that DGS had not established the telework evaluation criteria required by existing law, limiting departments' ability to assess the effectiveness and fiscal impacts of their telework programs.

Proposed Law: This bill, among other things, would do the following:

- Replace references to reviewing telecommuting programs and with language that requires the development and implementation of telework programs, as specified.

- Require an agency to provide a detailed, written justification to CalHR and to the agency's employees where its unique operational needs and programmatic mission require employees to report to a workplace.

- Require DGS' specified unit responsible for developing telework guidelines to establish a telework dashboard that displays the cost-effectiveness and efficiency benefits of state telework programs, including documenting the annual savings to the state of reduced office space and operating costs, cuts in emissions and energy use, the decrease in vehicle miles traveled, and other benefits that save taxpayer dollars while delivering high-quality services to taxpayers.

- Require each state agency, every 10 years, to evaluate its telework program to ensure that it aligns with the state agency's unique operational needs to carry out its programmatic missions and to help recruit and retain a qualified workforce.

Related Legislation:

- AB 2672 (Cortese, Chapter 1209, Statutes of 1994) authorized state agencies to incorporate a telecommuting work option as an element of its transportation management programs, required state agencies to review work operations to determine where telecommuting provides them a practical benefit, and on or before July 1, 1995, to develop and implement a telecommuting plan, as specified.

- AB 2963 (Klehs, Chapter 1389, Statutes of 1990), authorized agencies that participated in specified experimental telework studies to continue and expand those programs, as specified, and required the Department of General Services to establish an internal unit to oversee agency telecommuting programs and perform specified duties.

Staff Comments: This bill would update the State's telework statutes without prescribing a required number of in-office or telework days or modifying collective bargaining rights under the Dills Act. Instead, it would require agencies to provide written justification when operational or programmatic needs require employees to report to the workplace, require periodic evaluation of agency telework programs, and direct DGS to establish a statewide telework dashboard reporting operational, fiscal, and environmental outcomes, including office space savings, reduced operating costs, energy use, greenhouse gas emissions, and vehicle miles traveled.

-- END --