

LEGAL ALERT

July 14, 2026

California AB 126 – the Governor’s Omnibus Education Bill: New Paid Pregnancy Disability Leave Requirements – Part 2 of 3

On July 9, 2026, Governor Gavin Newsom approved Assembly Bill (“AB”) 126, which imposes substantial new obligations on charter schools. This legal alert will address the provisions of AB 126 related to paid pregnancy disability leave for employees.

Our previous legal alert summarized the provisions of AB 126 most relevant to charter schools, including several Education Code provisions affecting charter school audits, independent study, contracting, and related operations. Part 3 of this legal alert will address the changes specific to new charter petitions and charter renewal. Additional legal alerts may follow, with further analysis of each section, and a YMC webinar is planned for July 17, 2026, to provide training on AB 126 and its provisions.

New Pregnancy Disability Leave Mandate

Among the most significant requirements of the trailer bill is a new mandate for up to 14 weeks of paid pregnancy disability leave for certificated and classified employees of public school employers, including charter schools, school districts, county offices of education, and educational joint powers authorities. This mandate becomes effective on January 1, 2027.

In order to be eligible for paid pregnancy disability leave, an employee must be experiencing a disability caused by pregnancy, miscarriage, childbirth, termination of pregnancy, or recovery from those conditions, subject to verification by the employee’s physician. Employees classified as substitutes or temporary are ineligible. There are no additional eligibility requirements, such as minimum hours worked or length of service, to be eligible for paid pregnancy disability leave.

Duration of Pregnancy Disability Leave and Pay

As noted, the qualifying leave of absence shall be up to a maximum of 14 weeks as determined by the employee and the employee’s physician.

For full-time employees, the employee shall be paid at their regular rate of pay for the applicable duration of their leave. For part-time employees, the amount of paid leave per week shall be calculated in accordance with the following:

1. If the part-time employee works a fixed number of hours per week, the employee shall receive weekly pay for the total number of hours the employee is normally scheduled to work.
2. If the part-time employee does not work a fixed number of hours per week, the employee shall receive weekly pay in an amount equaling the employee's average weekly pay during the six-month period immediately preceding the date that the employee began their paid leave.
3. If the part-time employee has been employed for less than six months, the employee shall receive weekly pay in an amount equaling the employee's average weekly pay during the entire period of that employment preceding the date that the employee began their leave.

During paid pregnancy disability leave, an employee's vacation time, sick leave, and other compensated leave time balances may not be deducted. Charter schools are also required to make applicable CalSTRS/CalPERS contributions, and employees earn full-service credit and pay the member contributions to the retirement fund.

Health Benefits During Pregnancy Disability Leave

Charter schools shall maintain group health coverage for an employee who takes a leave of absence under these laws for the duration of the leave of absence at the same level and under the same conditions that coverage would have been provided if the employee had not taken a leave of absence.

Interaction with Other Leaves and Wage Replacement Programs

A leave of absence taken under these laws shall not be deducted from any other leaves of absence available to the employee for subsequent injury, illness, or disabilities, including those caused or contributed to by pregnancy, miscarriage, or childbirth, pursuant to state or federal regulations or laws. The new paid leave operates alongside, and does not amend, existing leave protections. Employees disabled by pregnancy remain entitled to job-protected pregnancy disability leave of up to four months under the Fair Employment and Housing Act, and eligible employees retain rights under the federal Family and Medical Leave Act and the California Family Rights Act, which are accessible during pregnancy leaves. AB 126 does not expressly address whether the 14 weeks of paid leave runs concurrently with these entitlements, providing only that leave taken under the new law may not be deducted from other leaves of absence available to the employee for subsequent injuries, illnesses, or disabilities. Charter schools should review their leave-designation practices and consult legal counsel before adopting policy language that addresses how these leaves will be coordinated.

Charter schools that have elected to participate in the State Disability Insurance ("SDI") program

administered by the California Employment Development Department may apply an employee's SDI benefits toward the cost of the paid leave. As a practical matter, SDI will cover only a portion of the cost. SDI currently replaces 70 to 90 percent of an employee's wages depending on income level, subject to a maximum weekly benefit of \$1,765 for claims beginning in 2026 (adjusted annually). Charter schools remain responsible for supplementing the difference so that the employee receives full pay for the duration of the leave, without any deduction from the employee's vacation, sick leave, or other compensated leave balances.

Charter schools that do not participate in SDI will bear the full cost of the paid leave directly and should coordinate with legal counsel regarding their obligations under AB 126, including whether electing SDI coverage is advisable in light of the new mandate.

Charter Schools with Unions

Charter schools that have exclusive representatives for their certificated or classified employees must continue to comply with any collective bargaining agreement that provides greater disability or parental leave rights to employees than those established under AB 126.

Recommended Next Steps

Charter schools should review the above requirements and prepare or update their pregnancy disability leave policies and protocols to ensure they meet the new standards set forth in AB 126. Implementation of these policies must be in effect by the January 1, 2027, deadline.

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