

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Neutral

BILL NUMBER: AB 1843
AUTHOR: Hill, Jerry

BILL SUMMARY: Whistleblower protection

Existing law prohibits an employer from enforcing any rule, regulation, or policy preventing an employee from disclosing information to a government or law enforcement agency, where the employee has a reason to believe a violation of law has occurred. Existing law also prohibits an employer from retaliating against an employee for disclosing such information or for refusing to participate in unlawful activities, and imposes civil penalties on an employer who violates these provisions.

This bill would require the California Public Utilities Commission (PUC) to establish a whistleblower protection program through its existing rule-making authority. The program would protect public utility employees, former employees, and third-party contractors and subcontractors from retaliation for bringing information to the PUC or other public entities regarding, but not limited to, safety issues.

FISCAL SUMMARY

The PUC estimates a need for \$598,000 PUC Utilities Reimbursement Account and 4.0 positions to develop, implement, and administer a comprehensive whistleblower protection program. This amount includes 3.0 attorneys to develop and implement the program and provide enforcement, and 1.0 senior utility engineer to maintain the program. The Department of Finance (Finance) does not concur that the estimated number and level of staff would be necessary to implement the bill. The estimate assumes the rejection of a 2012-13 Governor's Budget proposal adding legal staff, so if that proposal is not rejected then the estimate is overstated. The PUC estimate also includes resources for enforcement, which the bill does not require. Therefore, we believe that the requirements of the bill could be met by prioritizing existing resources.

COMMENTS

Finance is neutral on this bill because it would provide whistleblower protection to current and former utility employees and contractors who report safety problems that do not rise to the level of a violation of law or regulation, which is a situation currently not covered by existing statute.

California Labor Code Section 1102.5 (b) protects whistleblowers from retaliation by private employers where the employee has reasonable cause to believe that the information discloses a violation of or noncompliance with state or federal statute/rule/regulation.

It is our understanding the bill is in response to the San Bruno natural gas pipeline explosion that took many lives and resulted in substantial property damage.

Analyst/Principal (0621) J.McGuinn	Date	Program Budget Manager Karen Finn	Date
Department Deputy Director		Date	
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS--(CONTINUED)

AUTHOR

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)					Fund Code
	LA	(Dollars in Thousands)					
	CO	PROP					
	RV	98	FC	2011-2012 FC	2012-2013 FC	2013-2014	
8660/PUC	SO	No		-----	No/Minor Fiscal Impact	-----	0462
<u>Fund Code</u>	<u>Title</u>						
0462	Publ Utilities Comm Utilities Reimb Acct						