

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: RN 11 24146  
POSITION: Oppose

BILL NUMBER: AB 350  
AUTHOR: J. Solorio  
RELATED BILLS: AB 2850 (2004)  
SB 1521 (2004)

**BILL SUMMARY: Displaced Janitor Opportunity Act**

This bill would expand the types of employees provided employment protection under existing law when building services contractors are replaced.

**FISCAL SUMMARY**

The Division of Labor Standards Enforcement indicates that any workload increase from additional complaint filings with the Retaliation Complaint Investigation unit would be minor and absorbable.

**COMMENTS**

The Department of Finance is opposed to this bill because it would limit an employer’s ability to select the most competitive and qualified job candidates, which could lead to less qualified candidates being employed by the new contractor and could result in increased operating costs to employers. These costs would likely be passed on to consumers, including state agencies. Additionally, this bill represents a departure from the “at-will doctrine” of employment practices under which California currently operates. Finally, it is unclear that all the employees provided protections in this measure are subject to potential exploitation.

Existing law, the Displaced Janitor Opportunity Act, establishes certain obligations for contract-awarding authorities, terminated contractors, and successor contractors when janitorial or building maintenance contracts are terminated. Service workers who have been employed for at least four months under a janitorial or building maintenance contract by the terminated contractor must be retained by the successor contractor for a 60-day transition period, as specified. After the 60-day period an employee may be terminated without cause.

This bill would rename the law the “Displaced Property Service Employee Opportunity Act” and expand the types of employees covered under the Act to include licensed security, window cleaning, cafeteria, and dietary services workers in addition to janitors and cleaning-related or light building maintenance workers.

Two previous bills with similar provisions were vetoed by the Governor Schwarzenegger. SB 1521 of 2004 would have extended the transition employment period for janitors and building maintenance workers from 60 to 90 days. The veto message stated that these workers were already given a level of protection not provided to other employees and that employers would be further prevented from acting under California’s at-will employment doctrine. AB 2850 of 2004 would have provided 90 days of employment protection to private security workers. The veto message noted the extensive training required for such workers and asserted that a statutory mandate was unnecessary for contractors to appreciate the incentive to retain existing workers.

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Analyst/Principal (0242) J. Sturges	Date	Program Budget Manager Lisa Ann L. Mangat	Date
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Department Deputy Director	Date
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Governor’s Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)

**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**

**AUTHOR**

**AMENDMENT DATE**

**BILL NUMBER**

J. Solorio

RN 11 24146

AB 350

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	
7350/DIR	SO	No		-----	No/Minor	Fiscal Impact	-----		3152
<u>Fund Code</u>	<u>Title</u>								
3152	Labor Enforcement and Compliance Fund								