

1 [Supporting California State Assembly Bill No. 1356 (Haney) - Mass Layoffs]

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3 **Resolution supporting California State Assembly Bill No. 1356, Mass Layoffs, authored**
4 **by Assembly Member Matt Haney, to expand the California Worker Adjustment and**
5 **Retraining (WARN) Act to include coverage for contract workers, extend the required**
6 **advance notice to 90 days, and ban companies from forcing workers to sign a non-**
7 **disclosure agreement as a condition of receiving the WARN Act notice or pay.**

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9 WHEREAS, The California Worker Adjustment and Retraining (WARN) Act, governs
10 relocations, terminations, and mass layoffs; and

11 WHEREAS, The existing law prohibits an employer from ordering a mass layoff,
12 relocation, or termination at a covered establishment unless, 60 days before the order takes
13 effect, the employer gives written notice of the order, as prescribed; and

14 WHEREAS, The existing law exempts certain types of employment from the act,
15 including seasonal employment where the employees were hired with the understanding that
16 their employment was seasonal and temporary (seasonal employment exemption), including
17 contract workers; and

18 WHEREAS, The existing law makes an employer who fails to give notice as required
19 liable to each employee entitled to notice who lost their employment for prescribed
20 compensation, calculated for the period of the employer's violation, up to a maximum of 60
21 days, or half the number of days that the employee was employed by the employer, whichever
22 period is smaller; and

23 WHEREAS, The California WARN Act was established in 1988 and did not anticipate
24 the current situation of employment where many companies employ workers as contract
25 workers; and

1 WHEREAS, Assembly Bill No. 1356 (AB 1356), authored by Assembly Member Matt
2 Haney will expand the WARN Act to include the definition of “employer” to include a client
3 employer of a labor contractor, as well as a definition of “employee” to include a person
4 employed by a labor contractor and performing labor with the client employer for at least six-
5 months of the 12-months preceding the date on which notice is required; and

6 WHEREAS, AB 1356 will prohibit an employer from ordering a mass layoff, relocation,
7 or termination unless 90 days (instead of the current 60 days) before the order of a written
8 notice is provided to employees and the state; and

9 WHEREAS, In addition, AB 1356 would add that an employer is prohibited from
10 utilizing compliance with the WARN Act in connection with a severance agreement and waiver
11 of an employee’s right to claims through non-disclosure or non-disparagement agreements;
12 and

13 WHEREAS, AB 1356 will update the California WARN Act to reflect the current
14 environment of employment and modern work structures; now, therefore, be it

15 RESOLVED, That the San Francisco Board of Supervisors hereby supports California
16 Assembly Bill No. 1356 and urges the California State Legislature to pass this bill in order to
17 expand the WARN Act to include all workers; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors hereby directs the Clerk of the
19 Board to transmit a copy of this Resolution to the California Senate President pro Tempore
20 Toni Atkins, California Assembly Speaker Anthony Rendon, Governor Gavin Newsom, and
21 the Bill’s primary sponsor, Assembly Member Matt Haney.

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