



OFFICE OF ASSEMBLYMEMBER

Marc Levine

TENTH ASSEMBLY DISTRICT

AB 1902 - The Fair Wage Act

SUMMARY

AB 1902 will require specific companies operating in California that have a market capitalization or valuation over one billion dollars to pay sub-contracted service workers wages that are tied to the Department of Housing and Community Development's (HCD) income levels for the county they are sub-contracted to work in.

BACKGROUND

Major corporations are making the biggest profits in history and are now receiving corporate tax cuts from the Trump Administration. Amidst these tax breaks and the white hot economy, corporations are contracting-out service labor, leaving these workers without an "employee" title. These workers include staff such as security guards, bus drivers, custodial staff, food service workers, laundry workers, window cleaners, and can be expanded by the Department of Industrial Relations.

Due to this classification as contracted or sub-contracted worker, these workers are not entitled to benefits that full-time employees receive.

Without access to these benefits, sub-contracted service workers face many obstacles in accessing opportunities to further and secure futures for themselves and their families, and ultimately have little means of upward economic mobility.

THIS BILL

AB 1902 requires the Department of Industrial Relations to, by January 1, 2020, and annually thereafter, develop a list of eligible employers that the department determines are valued at least \$1,000,000,000. The bill would require an eligible employer that enters into a personal services contract, as defined, on or after January 1, 2020, to include a provision in that contract that requires the employees that will perform the services in that contract to be paid a wage that is equal to an income level developed annually by the Department of Housing and Community Development.

By requiring a wage that is tied to housing for the area a worker is sub-contracted in, workers will be able to live in the areas they work, and provide housing for themselves and their families. By providing fair wages, these workers receive will allow for personal economic growth and will close the upward mobility gap.

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