

Communication from Public

Name:

Date Submitted: 03/25/2020 10:05 PM

Council File No: 20-0147-S15

Comments for Public Posting: March 25, 2020 The Honorable Nury Martinez Los Angeles City Council President 200 N Spring Street, Suite 470 Los Angeles, CA 90012 SUBJECT: 'Just Cause' Termination (Council File: 20-0147-s15) - OPPOSE Dear Council President Martinez, The undersigned city and Los Angeles regional business groups are writing to oppose the City Council's efforts to impose a 'Just Cause' Termination policy for workers, in which such workers shall be discharged in order of seniority and have a right of recall in order of seniority. While we commend the work and dedication by the Los Angeles City Council to slow the spread of COVID-19 and the efforts to provide relief for residents and businesses, the proposed 'Just Cause' Termination policy has presented major concerns for the business community, especially at a time when many businesses are struggling to stay alive. The 'Just Cause' Termination policy would:

- Require businesses to layoff and recall employees based on seniority.
- Provide employees with a right of recall based on seniority rather than skills, competence, specific employer needs or legitimate pay scale considerations.
- Provide laid off employees with a right of retention if a business is sold.
- Require businesses to have 'just cause' to terminate an employee.
- Be retroactive to March 1, 2020.
- Become a permanent ordinance, not just an emergency measure during the COVID-19 crisis.

Given the global health crisis we are facing, businesses throughout Los Angeles have been doing their best to continue operating and generate enough revenue to avoid going out of business. These businesses have also adjusted their policies in order to retain as many of their workers during these challenging times. However, the proposed policy would dictate which workers remain employed during this economic crisis, eliminating flexibility that businesses need to survive and ultimately preserve jobs and remain in their communities over the long term. Requiring businesses to lay off employees based on seniority would make operating a business impossible during this public health and economic crisis. This requirement would undoubtedly worsen staffing needs as newer skilled workers who have been hired for moderate to high-level jobs would be the first to be terminated. This policy also hurts younger employees. Several young workers who are just starting their careers would be left without a job, making it more difficult to pay for rent, food

and other essential needs. Further, some business owners have already needed to make tough decisions for their business due to the financial crisis, which was caused by the COVID-19 crisis. Making this policy retroactive to March 1 would mean any business that has already made an economic decision could be subject to fines and lawsuits. At a time when many are facing financial hardships, opening the door to fines and lawsuits would contradict efforts to provide relief for businesses. Existing laws prevent discrimination of all types and there are a wide myriad of classes, which are protected. So long as companies comply with those important societal laws there should be no reason to dispense with the time-honored doctrine of “at-will employment” and permitting employment decisions to be based on the legitimate business judgment of a business owner. We urge you to oppose the proposed "just cause termination" policy; oppose making this policy permanent; and oppose any policy that seeks to preempt a company’s own business judgment, and simultaneously binds the hands of employers during this most troubling and unprecedented crisis. As businesses throughout Los Angeles are suffering during this crisis, some of which have already shuttered permanently, the City must act to ensure their survival. Thank you for your consideration on this issue. Sincerely, Building Owners and Managers Association of Greater Los Angeles (BOMA) Central City Association (CCA) Greater San Fernando Valley Chamber of Commerce Hollywood Chamber of Commerce Industry Business Council Long Beach Area Chamber of Commerce Los Angeles Area Chamber of Commerce Los Angeles Business Council Los Angeles County Business Federation (BizFed) National Association of Industrial and Office Properties (NAIOP) Torrance Area Chamber of Commerce United Chamber of Commerce Valley Industry & Commerce Association (VICA) West Los Angeles Chamber of Commerce Wilmington Chamber of Commerce CC: Los Angeles City Council Members



March 25, 2020

The Honorable Nury Martinez
Los Angeles City Council President
200 N Spring Street, Suite 470
Los Angeles, CA 90012

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Dear Council President Martinez,

The undersigned city and Los Angeles regional business groups are writing to oppose the City Council's efforts to impose a 'Just Cause' Termination policy for workers, in which such workers shall be discharged in order of seniority and have a right of recall in order of seniority.

While we commend the work and dedication by the Los Angeles City Council to slow the spread of COVID-19 and the efforts to provide relief for residents and businesses, the proposed 'Just Cause' Termination policy has presented major concerns for the business community, especially at a time when many businesses are struggling to stay alive.

The 'Just Cause' Termination policy would:

- Require businesses to layoff and recall employees based on seniority.
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Given the global health crisis we are facing, businesses throughout Los Angeles have been doing their best to continue operating and generate enough revenue to avoid going out of business. These businesses have also adjusted their policies in order to retain as many of their workers during these challenging times. However, the proposed policy would dictate which workers remain employed during this economic crisis, eliminating flexibility that businesses need to survive and ultimately preserve jobs and remain in their communities over the long term.

Requiring businesses to lay off employees based on seniority would make operating a business impossible during this public health and economic crisis. This requirement would undoubtedly worsen staffing needs as newer skilled workers who have been hired for moderate to high-level jobs would be the first to be terminated. This policy also hurts younger employees. Several young workers who are just starting their careers would be left without a job, making it more difficult to pay for rent, food and other essential needs.

Further, some business owners have already needed to make tough decisions for their business due to the financial crisis, which was caused by the COVID-19 crisis. Making this policy retroactive to March 1 would mean any business that has already made an economic decision could be subject to fines and lawsuits. At a time when many are facing financial hardships, opening the door to fines and lawsuits would contradict efforts to provide relief for businesses.

Existing laws prevent discrimination of all types and there are a wide myriad of classes, which are protected. So long as companies comply with those important societal laws there should be no reason to dispense with the time-honored doctrine of "at-will employment" and permitting employment decisions to be based on the legitimate business judgment of a business owner.

We urge you to oppose the proposed "just cause termination" policy; oppose making this policy permanent; and oppose any policy that seeks to preempt a company's own business judgment, and simultaneously binds the hands of employers during this most troubling and unprecedented crisis.

As businesses throughout Los Angeles are suffering during this crisis, some of which have already shuttered permanently, the City must act to ensure their survival.

Thank you for your consideration on this issue.

Sincerely,

Building Owners and Managers Association of Greater Los Angeles (BOMA)
Central City Association (CCA)

Greater San Fernando Valley Chamber of Commerce
Hollywood Chamber of Commerce
Industry Business Council
Long Beach Area Chamber of Commerce
Los Angeles Area Chamber of Commerce
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