

# REPORT OF THE CHIEF LEGISLATIVE ANALYST

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DATE: August 28, 2013

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Gerry F. Miller *Gerry F. Miller*  
Chief Legislative Analyst

Council File No.:  
Assignment No.: 13-08-0766

SUBJECT: SB 556 (Corbett) "Agency: ostensible: nongovernmental entities."

CLA RECOMMENDATION: Adopt the attached Resolution to include in the City's 2013-14 State Legislative Program **OPPOSITION** to SB 556 (Corbett).

## SUMMARY

On August 26, 2013, the Department of Transportation transmitted a Bill Response Report pertaining to SB 556 (Corbett), which raised serious concerns relative to the impact of this bill on the Department's Transit Services Group. SB 556 would require an unnecessary and overly burdensome requirement to label and potentially stigmatize contracted service.

The attached Resolution states that SB 556 (Corbett) would require public agencies, including public transit systems, to include the words "Not a Government Employee" on the uniform of a contracted employee, and the words "The Operator of this Vehicle is Not a Government Employee" on vehicles operated by contracted employees. The bill language states that the letters on vehicles and uniforms would have to be "conspicuously displayed." As stated in the bill, "conspicuously displays means displays in a font size that is at least the same size as the largest font size otherwise displayed on the vehicle or uniform, in a manner that clearly call attention to the language..." With regard to buses, this would mean that the message would have to be displayed in the largest font size as the logo of the bus.

The LADOT Transit Services Group utilizes contractors to operate its Commuter Express and DASH public transit services. The bus drivers who work for these contractors to provide LADOT service are typically unionized. It should be noted that the California Highway Patrol currently requires transit operators to post a small sign or wording that states "This vehicle is operated by (Name of Contractor)." Notice to the public of the name of the operator is therefore already available.

An oppose position is based on the following:

1. This bill would place a significant financial burden on contractors and the City by requiring the additional disclosure on buses and uniforms. The Department of Transportation estimates a minimum cost of approximately \$200,000 to produce and install one decal on each of the City's 350 transit vehicles. If it is necessary to produce new, re-sized LADOT decals, the cost would increase to \$400,000.
2. The required disclosure on LADOT's transit buses would reduce the available space for

exterior advertising and thus potentially reduce City advertising revenues, which are currently in excess of \$900,000 per year.

3. Implementing and enforcing the bill's requirements would create an additional contracting workload for local agencies, including potential litigation.
4. Transit riders may mistakenly perceive that operators and vehicles with the "nongovernmental employee" disclosure indicates drivers with lower qualifications and the provision of less quality service, which may impact public safety and rider confidence.
5. This bill would cause a disparaging effect on the morale of contracted employees by mandating they wear a label that brands and divides them from public employees in a way that may discredit their qualifications to transit consumers.

Overall, SB 556 does not appear to solve any significant issue and would raise significant issues as described above. The City is not aware of any public confusion or problems resulting from the current approach.

### BACKGROUND

On February 22, 2013, Senator Corbett introduced SB 556, based on the author's view that there is a need to ensure that members of the public can visually distinguish between government employees and non-government employees. This bill, co-sponsored by the California Labor Federation and the California Professional Firefighters, seeks to prohibit private contractors who contract with public agencies from displaying the public entity identification on a uniform or vehicle unless conspicuously displayed language states that the private contractor as "Not A Government Employee." As recently amended, violations of this bill may be enforced using the remedies provided by the Consumers Legal Remedies Act (CLRA).

This bill is opposed by a number of groups representing local government entities, including, the California State Association of Counties and the League of California Cities. These opponents contend that allowing similar uniforms and vehicles to be used by contractors should be a matter of local control. Furthermore, they are unaware of any problem associated with a private contractor wearing a similar uniform or having a similar vehicle that causes confusion for the public, and that the bill is a solution in search of a problem.

The bill is also opposed by American Medical Response (AMR), California's largest provider of 9-1-1 emergency ambulance services and private employer of paramedics and emergency medical technicians. AMR's position is that there is no evidence that the current appearance of their workforce uniforms or ambulances poses any threat to patient or public safety. In fact, the utilization of county patches and identifying marks, which are used in tandem with AMR patches and logos, provide assurance to the patient and family that they are responding under the authority of the county, and are licensed to practice medicine in their jurisdiction.

Support for SB 556 includes: California Labor Federation (co-sponsor), California Professional Firefighters (co-sponsor), California Community College Independents, Laborers' Locals 777 & 792, and United Transportation Union.

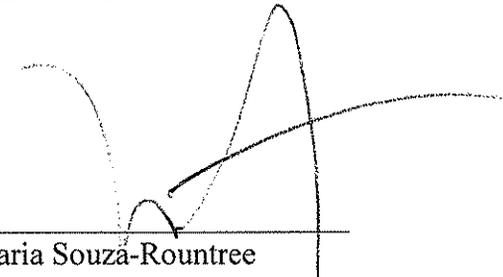
Opposition to SB 556 includes: American Medical Response (AMR), Association of California Healthcare Districts, California Association of Joint Powers Authorities, California Special Districts Association, California State Association of Counties, City of Thousand Oaks, League of California Cities, Rural Country Representatives of California, CSAC Excess Insurance Authority, and Urban Counties Caucus.

DEPARTMENTS NOTIFIED

Department of Transportation

BILL STATUS

7/2/13	Read second time and ordered to third reading.
6/27/13	Passed from Committee with author's amendments.
6/17/13	Referred to Committee on Judiciary.
5/30/13	Passed and ordered to the Assembly.
4/25/13	Re-referred to Committee on Judiciary and Labor and Industrial Relations.
3/11/13	Referred to Committee on Rules.
2/22/2013	Introduced.



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Maria Souza-Rountree  
Analyst

## RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the Los Angeles Department of Transportation (LADOT) utilizes contractors to operate its Commuter Express and DASH public transit services; and

WHEREAS, on February 22, 2013, Senator Corbett introduced SB 556 that would require public agencies, including public transit systems, to include the words "Not a Government Employee" on the uniform of a contracted employee, and the words "The Operator of this Vehicle is Not a Government Employee" on vehicles operated by contracted employees; and

WHEREAS, the bill language states that the letters on vehicles and uniforms would have to be "conspicuously displayed," which is defined as a font size that is at least the same size as the largest font size otherwise displayed on the vehicle or uniform, in a manner that clearly call attention to the language; and

WHEREAS, with regard to buses, SB 556 would mean that the message would have to be displayed in the largest font size as the logo of the bus; and

WHEREAS, SB 556 would require an unnecessary and overly burdensome requirement to label and potentially stigmatize contracted service; and

WHEREAS, this bill would place a significant financial burden on contractors and the City and does not appear to solve any significant issue;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2013-14 State Legislative Program OPPOSITION to SB 556 (Corbett) that would require public agencies, including public transit systems, to include the words "Not a Government Employee" on the uniform of a contracted employee, and the words "The Operator of this Vehicle is Not a Government Employee" on vehicles operated by contracted employees.