



Senate

General Assembly

File No. 356

February Session, 2026

Substitute Senate Bill No. 358

Senate, April 2, 2026

The Committee on Labor and Public Employees reported through SEN. KUSHNER of the 24th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE RETENTION OF SERVICE CONTRACT WORKERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 31-57g of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2026*):

3 (a) (1) "Assisted living services agency" has the same meaning as
4 provided in section 19a-490.

5 [(a) (1)] (2) "Awarding authority" means any person, including a
6 contractor or subcontractor, that awards or otherwise enters into a
7 contract or subcontract to perform (A) food and beverage services at
8 Bradley International Airport, and (B) on and after October 1, 2026,
9 services at a covered location. "Awarding authority" does not include
10 the federal government or the state.

11 (3) "Carrier" has the same meaning as provided in section 14-212.

12 [(2)] (4) "Contractor" means any person that enters into a service
13 contract with the awarding authority and any subcontractors to such
14 service contract at any tier who employs [ten] two or more persons.

15 (5) "Covered location" includes the following locations: (A)
16 Multifamily residential building or complex with fifty or more units, (B)
17 a commercial center or complex or office building occupying more than
18 seventy-five thousand square feet, (C) municipal office building or
19 facility, (D) electric distribution company facility, (E) gas company
20 facility, (F) public or nonpublic school, (G) cultural center or complex,
21 including a museum, convention center, arena or performance hall, (H)
22 shopping mall or bank branch, (I) industrial site, (J) pharmaceutical lab,
23 (K) airport or train station, (L) hospital, nursing home facility or
24 institution operated or managed by an assisted living services agency,
25 (M) warehouse, distribution center or other facility in which the primary
26 purpose is the storage or distribution of general merchandise,
27 refrigerated goods or other products, (N) independent institution of
28 higher education campus, (O) property owned by a carrier that is used
29 for the transportation of students or related services, and (P) data center.

30 [(3)] (6) "Employee" means any person engaged to perform food and
31 beverage services at Bradley International Airport pursuant to a service
32 contract, but does not include a person who is (A) a managerial,
33 supervisory or confidential employee, including any person who would
34 be so defined under the federal Fair Labor Standards Act, or (B)
35 employed for less than fifteen hours per week.

36 (7) "Employer" means any person that employs two or more
37 employees or service workers. "Employer" includes any municipal or
38 local government, but does not include the federal government or the
39 state.

40 (8) "Hospital" has the same meaning as provided in section 19a-490.

41 (9) "Nursing home facility" has the same meaning as provided in
42 section 19a-490.

43 [(4)] (10) "Person" means any individual, proprietorship, partnership,
44 joint venture, corporation, limited liability company, trust association or
45 other entity that may employ or enter into other contracts, [including]
46 but does not include the state. [and its political subdivisions.]

47 [(5)] (11) "Service contract" means a contract for the performance of
48 (A) food and beverage services by an employee at Bradley International
49 Airport, let by the awarding authority [(A)] (i) after July 1, 2001, and
50 before July 1, 2002, provided the successor contractor had actual
51 knowledge of the pendency in the General Assembly of proposed
52 legislation with content similar to this section, or [(B)] (ii) on or after July
53 1, 2002, or (B) services by a service worker at a covered location, let by
54 the awarding authority on or after October 1, 2026.

55 (12) (A) "Service worker" means a person engaged to perform any of
56 the following services:

57 (i) Care or maintenance services at a covered location, including
58 services performed by a security guard, front-desk worker, janitor,
59 housekeeper, maintenance employee, concierge, door attendant,
60 building superintendent, grounds maintenance worker, stationary
61 fireman, elevator operator or window cleaner;

62 (ii) Passenger-related security services, cargo and ramp services, in-
63 terminal passenger and baggage handling and cleaning services at an
64 airport;

65 (iii) Food preparation or dietary services at a public or nonpublic
66 school, independent institution of higher education, hospital, nursing
67 home facility or institution operated or managed by an assisted living
68 services agency;

69 (iv) Health care services at a hospital, nursing home facility or
70 institution operated or managed by an assisted living services agency;
71 and

72 (v) Student transportation services; and

73 (B) "Service worker" does not include a (i) managerial, supervisory or
74 confidential employee, including any person who would be so defined
75 under the federal Fair Labor Standards Act, or (ii) person engaged to
76 perform services related to a project that requires a permit issued by a
77 municipality, including a building, mechanical, plumbing, structural or
78 electrical project.

79 (13) "Successor employer" means (A) an employer that has (i) been
80 awarded a successor service contract, or (ii) purchased or acquired
81 control of a property where employees or service workers were
82 employed at any time during the previous ninety-day period, or (B) an
83 awarding authority that has hired employees or service workers to
84 perform services substantially the same to services previously provided
85 under a terminated or nonrenewed service contract.

86 [(6)] (14) "Successor service contract" means a service contract with
87 the awarding authority under which substantially the same services to
88 be performed have previously been rendered to the awarding authority
89 as part of the same program or at the same facility under another service
90 contract or have previously been rendered by the awarding authority's
91 own employees or service workers.

92 [(7)] (15) "Terminated contractor" means a contractor whose service
93 contract expires without renewal or whose contract is terminated, and
94 includes the awarding authority itself when (A) work previously
95 rendered by the awarding authority's own employees or service
96 workers is the subject of a successor service contract, or (B) the awarding
97 authority sells or transfers a property where employees or service
98 workers were employed at any time during the previous ninety-day
99 period.

100 [(b) Each contractor and awarding authority that enters into a service
101 contract to be performed at Bradley International Airport shall be
102 subject to the following obligations:]

103 [(1) The awarding authority shall] (b) (1) Not later than fifteen days
104 prior to the (A) termination or nonrenewal of any service contract, (B)

105 contracting out of services previously performed by the awarding
106 authority's own employees or service workers, or (C) selling or
107 transferring of any property where employees or service workers were
108 employed at any time during the previous ninety-day period, the
109 awarding authority shall, where applicable, give advance notice to a
110 terminated contractor, the employees or service workers of such
111 terminated contractor and the exclusive bargaining representative of
112 any of the terminated contractor's employees or service workers, of the
113 termination or nonrenewal of such service contract, [and] contracting
114 out of such services or the sale or transfer of such property. Such notice
115 shall be provided in writing and be posted in a conspicuous place at the
116 worksite. The awarding authority shall provide the terminated
117 contractor, employees or service workers and the exclusive bargaining
118 representative with the name, telephone number and address of the
119 successor [contractor or contractors] employer or employers, if known.
120 The terminated contractor shall, not later than three days after receipt of
121 such notice, provide the successor [contractor] employer with the name,
122 date of hire and employment occupation classification of each person
123 employed by the terminated contractor at the site or sites covered by the
124 service contract as of the date the terminated contractor receives the
125 notice of termination or nonrenewal, notice of contracting out or notice
126 of the sale or transfer.

127 (2) On the date the (A) service contract terminates, (B) the successor
128 service contract for services previously performed by the awarding
129 authority's own employees or service workers begins, or (C) the sale or
130 transfer of property occurs, the terminated contractor shall provide the
131 successor [contractor] employer with updated information concerning
132 the name, date of hire and employment occupation classification of each
133 person employed by the terminated contractor at the site or sites
134 covered by the service contract, to ensure that such information is
135 current up to the actual date of service contract termination, the actual
136 contract start date or the actual date of the sale or transfer.

137 (3) If the awarding authority fails to notify the terminated contractor
138 of the identity of the successor [contractor] employer, as required by

139 subdivision (1) of this subsection, the terminated contractor shall
140 provide the information described in subdivision (2) of this subsection
141 to the awarding authority not later than three days after receiving notice
142 that the service contract will be terminated or notice of the sale or
143 transfer of a property. The awarding authority shall be responsible for
144 providing such information to the successor [contractor] employer as
145 soon as the successor [contractor] employer has been selected.

146 (4) (A) [Except as provided in subparagraph (D) of this subdivision,
147 a] A successor [contractor] employer shall retain, for at least ninety days
148 from the date of first performance of services under the successor
149 service contract or from the date of the sale or transfer of a property, all
150 of the employees or service workers who were continuously employed
151 by the terminated contractor at the site or sites covered by the service
152 contract during the [six-month] ninety-day period immediately
153 preceding the termination or nonrenewal of such service contract,
154 including any periods of layoff or leave with recall rights.

155 (B) [Except as provided in subparagraph (D) of this subdivision, if] If
156 the successor service contract is terminated prior to the expiration of
157 such ninety-day period, then any [contractor] successor employer
158 awarded a subsequent successor service contract shall be bound by the
159 requirements set forth in this subsection to retain, for a new ninety-day
160 period commencing with the onset of the subsequent successor service
161 contract, all of the employees or service workers who were previously
162 employed by any one or more of the terminated contractors at the site
163 or sites covered by the service contract continuously during the [six-
164 month] ninety-day period immediately preceding the date of the most
165 recently terminated service contract, including any periods of layoff or
166 leave with recall rights.

167 (C) At least five days prior to the termination of a service contract or
168 the sale or transfer of a property where employees or service workers
169 were employed at any time during the previous ninety-day period, or
170 at least fifteen days prior to the commencement of the first performance
171 of service under a successor service contract, whichever is later, the

172 successor [contractor] employer shall hand-deliver a written offer of
173 employment in substantially the form set forth below to each such
174 employee or service worker in such employee's or service worker's
175 native language or any other language in which such employee or
176 service worker is fluent:

177 "IMPORTANT INFORMATION REGARDING YOUR
178 EMPLOYMENT

179 To: (Name of employee or service worker)

180 We have received information that you are employed by (name of
181 predecessor contractor) and are currently performing work at
182 (address of worksite) (name of predecessor contractor's) contract to
183 perform (describe services under contract) at (address of worksite)
184 will terminate as of (last day of predecessor contract) and it will no
185 longer be providing those services as of that date.

186 We are (name of successor [contractor] employer) and [have been
187 hired to provide] will be providing services similar to those of (name
188 of predecessor contractor) at (address of worksite). We are offering
189 you a job with us for a ninety-day probationary period starting (first
190 day of successor contract) to perform the same type of work that you
191 have already been doing for (name of predecessor contractor) under
192 the following terms:

193 Payrate (per hour): \$....

194 Hours per shift:

195 Total hours per week:

196 Benefits:

197 You must respond to this offer within the next ten days. If you want
198 to continue working at (address of worksite) you must let us know
199 by (no later than ten days after the date of this letter). If we do not
200 receive your response by the end of business that day, we will not hire

201 you and you will lose your job. We can be reached at (successor
202 [contractor] employer telephone number).

203 Connecticut state law gives you the following rights:

204 1. You have the right with certain exceptions, to be hired by our
205 company for the first ninety days that we begin to provide services at
206 (address of worksite).

207 2. During this ninety-day period, you cannot be fired without just
208 cause.

209 3. If you believe that you have been fired or laid off in violation of this
210 law, you have the right to [sue us] file a complaint with the Labor
211 Commissioner and be awarded back pay, attorneys' fees and court costs.

212 From: (Name of successor [contractor] employer)

213 (Address of successor [contractor] employer)

214 (Telephone number of successor [contractor] employer)"

215 Each offer of employment shall state the time within which such
216 employee or service worker must accept such offer but in no case shall
217 that time be less than ten days from the date of the offer of employment.

218 [(D) The provisions of subparagraphs (A) and (B) of this subdivision
219 shall not be construed to require a successor contractor to retain any
220 employee whose attendance and performance records, while working
221 under the terminated service contract, would lead a reasonably prudent
222 employer to terminate the employee.]

223 (5) If at any time a successor [contractor] employer determines that
224 fewer employees or service workers are required to perform the
225 successor service contract than were required by the terminated
226 contractor, the successor [contractor] employer shall be required to
227 retain such employees or service workers by seniority within each job
228 classification, based upon the employees' total length of service at the
229 affected site or sites.

230 (6) During such ninety-day period, the successor [contractor]
231 employer shall maintain a preferential hiring list of employees or service
232 workers eligible for retention pursuant to subdivision (4) of this
233 subsection, who were not initially retained by the successor [contractor]
234 employer, from which the successor contractor shall hire additional
235 employees or service workers, if necessary.

236 (7) Except as provided under subdivision (5) of this subsection,
237 during such ninety-day period, the successor [contractor] employer
238 shall not discharge without just cause an employee or service worker
239 retained pursuant to this section. For purposes of this subdivision, "just
240 cause" shall be determined solely by the performance or conduct of the
241 particular employee or service worker.

242 (8) If the performance of an employee or service worker retained
243 pursuant to this section is satisfactory during the ninety-day period, the
244 successor [contractor] employer shall offer the employee or service
245 worker continued employment under the terms and conditions
246 established by the successor contractor, or as required by law.

247 (c) (1) An employee or service worker, or a group of employees or
248 service workers, displaced or terminated in violation of this section, or
249 such employee's or service worker's collective bargaining
250 representative, may [bring an action in Superior Court against the
251 awarding authority, the terminated contractor or the successor
252 contractor, jointly or severally, to recover damages for any violation of
253 the obligations imposed under this section] file a complaint with the
254 Labor Commissioner. Upon receipt of any such complaint, the
255 commissioner shall hold a hearing. After the hearing, the commissioner
256 shall send each party a written copy of the commissioner's decision.

257 (2) If the [employee prevails in such action, the court] commissioner
258 finds that the awarding authority, the terminated contractor or the
259 successor employer has violated the provisions of this section, the
260 commissioner may award the employee or service worker (A) back pay,
261 including the value of benefits, for each day during which the violation
262 continues, that shall be calculated at a rate of compensation not less than

263 the higher of (i) the average regular rate of pay received by the employee
 264 or service worker during the last year of employment in the same job
 265 occupation classification, or, if the employee or service worker has been
 266 employed for less than one year, the average rate of pay for the
 267 employee's or service worker's entire employment multiplied by the
 268 average number of hours worked per day over the last four months of
 269 employment preceding the date of the violation, or (ii) the final regular
 270 rate of pay received by the employee or service worker at the date of
 271 termination multiplied by the average number of hours worked per day
 272 over the last four months, [and] (B) reinstatement to the employee's or
 273 service worker's former position at not less than the most recent rate of
 274 compensation received by the employee or service worker, including
 275 the value of any benefits, and (C) compensatory damages.

276 (3) If the employee or service worker prevails in such action, the court
 277 shall award the employee reasonable attorney fees and costs.

278 (4) Nothing in this subsection shall be construed to limit an
 279 employee's or service worker's right to bring a common law cause of
 280 action for wrongful termination against the awarding authority, the
 281 terminated contractor or the successor [contractor] employer.

282 (d) Any awarding authority, [or] terminated contractor or successor
 283 employer who knowingly violates the provisions of this section shall
 284 pay a penalty not to exceed [one] five hundred dollars per employee or
 285 service worker for each day the violation continues.

286 (e) Any party aggrieved by the decision of the commissioner may
 287 appeal the decision to the Superior Court in accordance with the
 288 provisions of chapter 54.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2026	31-57g

Statement of Legislative Commissioners:

In Subsec. (a)(5)(F), "public or private elementary, middle or high school" was changed to "public or nonpublic school" for proper form; in Subsec. (a)(5)(N), "college or university" was changed to "independent institution of higher education" for proper form; in Subsec. (a)(10), "including" was changed to "[including] but does not include" and "the state and it's political subdivisions." was changed to "the state. [and it's political subdivisions.]" for consistency; in Subsec. (a)(12)(A)(iii), "private or public elementary, middle or high school, college or university campus" was changed to "public or nonpublic school, independent institution of higher education" for proper form; and in Subsec. (b)(2)(B), "contract" was changed to "successor service contract" for consistency.

LAB *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Labor Dept.	GF - Cost	86,681	112,907
Labor Dept.	GF - Potential Revenue Gain	See Below	See Below
State Comptroller - Fringe Benefits ¹	GF - Cost	32,179	42,906

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 27 \$	FY 28 \$
All Municipalities; Local and Regional School Districts	Potential Cost	Potential Cost	Potential Cost

Explanation

The bill expands existing worker retention requirements to include a broader range of service contracts and covered locations. This results in (1) a cost to the Department of Labor (DOL) of \$86,681 in FY 27 (partial year cost) and \$112,907 in FY 28, (2) a cost to the State Comptroller-Fringe Benefits account of \$32,179 (partial year cost) and \$42,906 in FY 28, (3) a potential revenue gain to the DOL, and (4) a potential cost to municipalities and districts.

State Impact:

The bill changes how complaints are currently handled by allowing employees to file complaints with the DOL and requiring the agency to

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.82% of payroll in FY 27.

hold hearings instead of bringing action to the Superior Court². To accommodate this change, the agency would need to hire one additional staff attorney for its Legal Division (annualized cost of \$102,597 for salary, \$10,311 for overhead, and \$42,906 for fringe benefits).

Additionally, the bill increases penalties for violations from up to \$100 to up to \$500 per employee or service worker for each day the violation continues. This results in a potential revenue gain to the DOL to the extent violations are found and penalties are paid.

Municipal Impact:

The bill requires certain vendors providing contracted services to municipalities and school districts to retain their predecessors' employees for at least 90 days. This results in a potential cost to municipalities and districts, beginning in FY 27, associated with increased personnel and vendor costs. The potential cost to a municipality or district depends on the terms of existing and future contracts, and the terms of a contract that a municipality or district would have entered into in the absence of the bill's provisions.

There is also a potential cost to municipalities and districts associated with violating the provisions of the bill including: (1) making backpay or compensatory damage payments if the DOL determines the municipality or district violated the terms of the bill; and (2) a penalty of up to \$500 per day per worker for which the provisions of the bill were violated. The cost to a municipality or district depends on the violation of the bill's provisions and DOL's ruling in a hearing.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, violations, and penalties collected.

² The court system disposes of over 250,000 cases annually and any decrease in cases as a result of the bill is not anticipated to be great enough to result in savings.

OLR Bill Analysis**sSB 358*****AN ACT CONCERNING THE RETENTION OF SERVICE CONTRACT WORKERS.*****SUMMARY**

This bill requires entities that (1) take over certain service contracts at covered locations, (2) contract out services, or (3) receive property in a sale or transfer, to retain certain service workers from their predecessors for at least 90 days. If the worker's performance is satisfactory during these 90 days, the successor employer must extend them an offer of continued employment either under terms and conditions the successor employer sets or by law. Existing law already gives similar protections to employees performing food and beverage services at Bradley International Airport (BIA) after a contract termination.

The bill imposes responsibilities on the authority (at BIA or other covered locations) that initially awards the contract, the original contractor, and successor employers who have two or more employees. Current law imposes these responsibilities on the authority that initially awards the contract, the original contractor, and successor contractors who have 10 or more employees.

The bill extends existing provisions to the new circumstances covered by the bill, such as those requiring advance notice to (1) a contractor whose contract will be terminated or not renewed, (2) workers, and (3) the union representing the workers.

The bill permits workers who are displaced or terminated in violation of the bill to file a complaint with the labor commissioner (currently BIA workers can sue in court). It requires the labor commissioner to hold a hearing and permits the commissioner to award the employee or service worker back pay, benefits, reinstatement to their former position at their most recent salary and benefit level, and compensatory damages.

The bill also makes conforming and technical changes.

EFFECTIVE DATE: October 1, 2026

SCOPE OF THE BILL

The bill expands the application of the law giving certain job protections to BIA food and beverage workers to contracts for services by service workers at covered locations. Under the bill, a service worker is a person performing certain services under a successor service contract, including:

1. care or maintenance services, including a security guard, front-desk worker, janitor, housekeeper, maintenance employee, concierge, door attendant, building superintendent, grounds maintenance worker, stationary fireman, elevator operator, or window cleaner;
2. passenger-related security services, cargo and in-ramp services, in-terminal passenger and baggage handling, and cleaning services at an airport;
3. food preparation or dietary services at a school, private higher education institution, hospital, nursing home facility, or an institution operated or managed by an assisted living services agency;
4. health care services provided at a hospital, nursing home facility, or an institution operated or managed by an assisted living services agency; and
5. student transportation services.

Under the bill, a service worker is not a person who is (1) a managerial, supervisory, or confidential employee under the federal Fair Labor Standards Act, or (2) engaged to perform services related to a project that requires a permit from a municipality, such as a building, mechanical, plumbing, structural, or electrical project.

The services must be provided at “covered locations,” which are:

1. multifamily residential buildings or complexes with 50 or more units;
2. commercial centers or complexes over 75,000 square feet;
3. municipal office buildings or facilities;
4. electric or natural gas company facilities;
5. public or nonpublic schools;
6. cultural centers or complexes, such as museums, convention centers, arenas, or performance halls;
7. shopping malls or bank branches;
8. industrial sites;
9. pharmaceutical labs;
10. airports or train stations;
11. hospitals, nursing homes, or institutions operated or managed by assisted living services agencies;
12. warehouses, distribution centers, or other facilities that store or distribute general merchandise, refrigerated goods, or other products;
13. private higher education institution campuses;
14. property owned by a carrier (a local or regional school district, educational institution providing elementary or secondary education, someone under contract with them to transport students, or someone primarily transporting people under age 21 for pay) to transport students or related services; and
15. data centers.

Definitions of Various Medical Facilities

The bill defines a hospital as an establishment for the lodging, care, and treatment of people suffering from disease or other abnormal physical or mental conditions. It includes inpatient psychiatric services in general hospitals.

Under the bill, a nursing home facility is any chronic and convalescent nursing home (1) or any rest home with nursing supervision that provides nursing supervision under a medical director 24 hours a day, or (2) that provides skilled nursing care under medical supervision and direction to carry out nonsurgical treatment and dietary procedures for chronic diseases, convalescent stages, acute diseases, or injuries.

The bill defines an assisted living services agency as an agency that provides chronic and stable individuals with nursing services and assistance with activities of daily living. It may have a dementia special care unit or program.

Awarding Authority

Existing law defines an awarding authority as any person that awards or enters into a contract to perform food and beverage services at BIA. The bill extends this to anyone who awards or enters into a contract to perform services at a covered location starting October 1, 2026. The bill specifies that the state and federal government are not awarding authorities.

Successor Employer

The bill defines a “successor employer” as an employer that has (1) been awarded a successor service contract, (2) purchased or acquired control of a property where employees or service workers were employed at any time during the past 90 days, or (3) an awarding authority that has hired employees or service workers to perform services that are substantially the same as those previously provided under a terminated or nonrenewed service contract.

The bill extends the definitions of successor service contracts and

terminated contractors to cover the scope of the circumstances added by the bill.

AWARDING AUTHORITY'S RESPONSIBILITIES

The bill generally extends existing responsibilities of awarding authorities to the new situations covered by the bill. The awarding authority must give advance notice to a contractor whose contract will be terminated or not renewed, the workers, and the union representing them within 15 days of the termination of the service contract, the contracting out of services previously done by the authority, or the sale or transfer of the property (if workers were employed there within the prior 90 days). Under the bill, and existing law for eligible BIA workers, the authority must give the contractor and union the name, address, and telephone number of the successor employer or contractors, if known. The bill requires this notice in writing and posted in a conspicuous place. Under the bill and existing law for eligible BIA workers, authorities must also give new employers information about the workers.

RESPONSIBILITIES OF SUCCESSOR EMPLOYERS

The bill generally extends existing responsibilities of successor employers to the new situations covered by the bill. A successor employer must hand deliver a written employment offer to the workers. It must be written in a language the worker understands. As under current law, it must be delivered by the later of five days before the termination of the original contract or 15 days before the contractor begins to provide service. The bill also requires this notice five days before the sale or transfer of a covered location where whether workers were employed during the previous 90 days. Existing law already requires successor contractors to deliver this written offer to each eligible BIA employee within this timeframe.

The bill, and existing law for eligible BIA workers, specify the notice's content. Among other things, the employer must inform the worker of pay rate, hours (per shift and per week), and benefits it is offering. The notice must (1) describe the worker's rights under the bill, (2) include

the employer's name, address, and telephone number; and (3) state that the employee or service worker has 10 days to respond. Under the bill, the notice also must inform workers that they can file a complaint with the labor commissioner. Current law requires successor contractors to inform BIA employees, in the notice, that they have the right to sue the successor contractor.

Under the bill and existing law for eligible BIA workers, a worker cannot be fired, during a 90-day period, without just cause. The bill gives this protection to workers who were employed during the prior 90 days (for BIA workers it reduces this time frame from the previous six months). As under existing law for BIA workers, the bill requires contractors, during these 90 days, to keep a preferential hiring list of workers eligible for retention that it did not initially retain. (It is not clear which employees or service workers would be affected by this provision.) The contractor must hire additional employees or service workers, if needed, from this list.

Under the bill and existing law for BIA workers, the contractor may determine at any time that it needs fewer employees or service workers than the terminated contractor had and can lay them off. In doing so, it must retain employees by seniority within each job class, based on an employee's total length of service at the affected site.

The bill eliminates a provision applicable to BIA workers that a successor contractor is not required to retain employees with attendance and performance records under the prior contract that would lead a reasonably prudent employer to terminate them.

REMEDIES FOR A DISPLACED EMPLOYEE OR SERVICE WORKER

Under the bill, a worker displaced or terminated in violation of the above provisions can file a complaint with the labor commissioner, who must hold a hearing on receipt of the complaint. It requires the labor commissioner to send each party a written copy of her decision after the hearing. If the commissioner decides that the awarding authority, terminated contractor, or successor employer has violated the above

provisions, she may award the employee or service worker back pay, benefits, reinstatement to their former position at their most recent salary and benefit level, and compensatory damages.

As under existing law for BIA workers, the bill requires that back pay be based on at least the higher of (1) the worker's regular pay rate for their last year on the job (their last four months on the job if they were employed for less than one year), or (2) their final regular rate of pay on their last day.

Under the bill, an aggrieved party can appeal the labor commissioner's decision to the Superior Court.

The bill eliminates current law which permits (1) a BIA employee to bring suit in Superior Court and (2) courts to award back pay, reasonable attorney fees, and costs if the aggrieved employee prevails.

As under current law for eligible BIA workers, these provisions do not limit a worker's right to file suit against the awarding authority, terminated contractor, or successor employer for wrongful termination under common law.

Under the bill, an awarding authority, terminated contractor, or successor employer who violates the above provisions must pay a penalty of \$500 per employee or service worker for each day the violation continues. This replaces current law, which requires an awarding authority or contractor in violation of these provisions related to BIA workers to pay a penalty of \$100 per employee for each day the violation continues.

BACKGROUND

Related Bill

sHB 5003 (§ 10), favorably reported by the Labor and Public Employees Committee, has an identical provision on the retention of service contract workers.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 9 Nay 4 (03/17/2026)