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Kaanaana v. Barrett Business Services, Inc.

Supreme Court of California - March 29, 2021 - P.3d - 2021 WL 1166963 - 21 Cal. Daily Op. Serv. 2696

Belt sorters at a county recycling facility brought action against staffing company, alleging failure to pay minimum wages, overtime, and all wages owing at termination, failure to provide meal periods, and unfair competition, and the employees sought civil penalties under Private Attorneys General Act (PAGA).

Following bench trial, the Superior Court entered judgment in favor of employees but reduced amount of civil penalties for noncompliant meal periods. Employees appealed. The Court of Appeal reversed and remanded.

On further review, the Supreme Court held that:

- Term “public works,” as used in California’s prevailing wage law in guaranteeing a certain minimum wage to those employed on public works, had to be interpreted broadly as not limited only to workers employed in construction activities, and
- Belt sorters at county recycling facility qualified as workers employed on “public works,” who were entitled to be paid a minimum wage under California’s prevailing wage law.

Overarching purpose of California’s prevailing wage law is to protect and benefit employees on public works projects, and this general objective subsumes within it numerous specific goals: to protect employees from substandard wages that might be paid if contractors could recruit labor from distant cheap-labor areas; to permit union contractors to compete with nonunion contractors; to benefit the public through superior efficiency of well-paid employees; and to compensate nonpublic employees with higher wages for the absence of job security and employment benefits enjoyed by public employees.

Term “public works,” as used in California’s prevailing wage law in guaranteeing a certain minimum wage to those employed on public works, had to be interpreted broadly as not limited by previous definition only to workers employed in construction- and infrastructure-related work activities.

Belt sorters at a county recycling facility, whose job in sorting refuse deposited on conveyor belt was to remove nonrecyclable materials, clear obstructions, and put recyclables into containers, qualified as workers employed on “public works,” who were entitled to be paid a minimum wage under California’s prevailing wage law.