Background on Farm Labor Contractors and DLSE Licensing Concerns

Impact of FLCs in California

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** | **Number of FLCs** | **FLC Employees** | **Total Wages** | **FLC Employees vs. Overall Ag** |
| 2021\* | 1,504 | 146,300 | $4,603,395,471 | 36.2% |
| 2020 | 1,513 | 142,697 | $4,348,023,289 | 35.3% |
| 2019 | 1,454 | 150,587 | $4,201,279,145 | 35.9% |
| 2018 | 1,397 | 147,625 | $3,842,956,232 | 35.3% |
| 2017 | 1,263 | 143,727 | $3,589,088,351 | 34.4% |
| 2016 | 1,193 | 143,525 | $3,529,158,656 | 34.2% |

Percent of California Agricultural Employees employed by FLCs 1990-2021

1990 1994 1998 2002 2006 2010 2014 2018 2021

*Source: California Employment Development Department Census of Employment & Wages Data*

Comparison of Requirements for Businesses Licensed by DLSE

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | License Duration | Education Requirements | Exam | Exam Fee | Application Fee |
| Farm Labor Contractor | 1 year | 9hr/year | Every 2 years | $184 | $600 |
| Studio Teachers Certification | 3 years | 12hr initial & 3hr every 3 years | Every 3 years | None | None |
| Garment Manufacturers & Contractors | 1 year | None | Initial  & at discretion of Commissioner | $25 | $250-$2,500 |
| Janitorial Service Providers & Contractors | 1 year | SH Training every 2 yrs | No | N/A | $500 |
| Foreign Labor Contractor | 2 years | None | No | N/A | $95 |
| Car Washing & Polishing | 1 year | None | No | N/A | $300 per location |
| Talent Agency | 1 year | None | No | N/A | $250 |

FLC Licensing Obligations

FLCs are required to renew their license every year, as established in the California Labor Code, overseen by the Labor Commissioner, and administered by the Department of Industrial Relations (DIR) through the Division of Labor Standards and Enforcement (DLSE).

* Maintain federal license with the U.S. DOL Wage and Hour Division.
* Deposit a surety bond with the Labor Commissioner (based on payroll $25,000-$75,000).
* Complete license application including paying a fee of $600 every year.
* Participate in nine hours of continuing education every year.
* Every two years, pay $184 exam fee and pass a written “examination that demonstrates an essential degree of knowledge of the current laws and administrative regulations concerning farm labor contractors as the Labor Commissioner deems necessary for the safety and protection of farmers, farmworkers, and the public, including the identification and prevention of sexual harassment in the workplace. To successfully complete the examinations, the person must correctly answer at least 85 percent of the questions posed. The examination period shall not exceed four hours. The examination may only be taken a maximum of three times in a calendar year.”
* License application includes:
  + Federal FLC registration card(s)
  + Fingerprint card & Live scan for all officers/members
  + Articles of Incorporation/Organization and Statement of Information from SOS
  + FEIN with the IRS
  + Harassment disclosure forms for all supervisory staff
  + Passport photos for all officers/members
  + Driver’s license for all officers/members
  + Proof of workers’ compensation insurance
  + Quarterly payroll reports
  + County registration permits
  + Information on grower clients
  + Information on delinquent unpaid wages, unpaid judgements outstanding, taxes owed, criminal history, family members.
  + Additional requirements for FLCs that transport or provide lodging to workers.

For more information on the issues FLCs are facing due to CA DLSE mismanagement please contact:

California Farm Labor Contractor Association

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