



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Sarah Zárate

SUBJECT: Opposition to Assembly Bill 339 (Ortega) **DATE:** July 22, 2025

Approved

Date:

8/1/25

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Adopt a resolution taking a position in opposition to Assembly Bill 339 (Ortega), Local Public Employee Organizations: Notice Requirements, authorizing the City Manager's Office to issue a letter of opposition in accordance with City Council direction.

SUMMARY AND OUTCOME

The City Manager's Office is requesting that the City Council adopt a position in opposition to Assembly Bill (AB) 339, authored by Assemblymember Ortega. AB 339, if signed into law, would have significant impacts to the City of San José's contracting and procurement processes. The State Legislature will recess on September 12, 2025, and therefore, this memorandum is being brought directly to the City Council for discussion and possible action on AB 339 to allow sufficient time to communicate the City's concerns to the State Legislature and the Governor's Office.

BACKGROUND

AB 339, authored by Assemblymember Ortega, was introduced on January 28, 2025. This legislation would require the governing body of a public agency regulated by the Meyers-Milias-Brown Act to give a recognized employee organization no less than 60 days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization.¹ The bill would require the notice to include specified information, including the

¹ The Meyers-Milias-Brown Act contains various provisions that govern collective bargaining of local represented employees and delegates jurisdiction to the Public Employment Relations Board to resolve disputes and enforce the statutory duties and rights of local public agency employers and employees.

July 22, 2025

Subject: Opposition to Assembly Bill 339 (Ortega)

Page 2

anticipated duration of the contract. In addition, the bill provides the recognized employee organization with the right to meet and confer on each notice. The full bill text for AB 339 is included in Attachment A. The Senate Labor, Public Employment and Retirement Committee Analysis is included in Attachment B.

AB 339 is currently advancing through the State Legislature. It was approved by the Assembly on June 2, 2025, and on July 9, 2025, was approved by the Senate Committee on Labor, Public Employment and Retirement. The bill was subsequently referred to the Senate Committee on Appropriations, where a hearing has been scheduled for August 18, 2025. If AB 339 is approved by the Senate Appropriations Committee, it would then advance to the Senate Floor. The State Legislature has until September 12, 2025 to send bills to the Governor, who then has until October 12, 2025 to sign.

Given the legislative timeline, this memorandum is being brought directly to the City Council for action to allow sufficient time for the City's state lobbyist to engage in advocacy and communicate the City's concerns to the State Legislature, the Governor's Office, and key stakeholders.

ANALYSIS

AB 339 would present several logistical challenges for the City. The requirement to provide a 60-day notice before issuing a Request for Proposals (RFP) for a contract would add at least two months to the existing procurement process timeline; additional time could be added for discussions with the bargaining units that may not be necessary if there is no requirement to meet and confer over the RFP itself, or if the RFP does not yield a successful bid or resulting contract. These unnecessary discussions could create a significant capacity issue for the City Manager's Office of Employee Relations, considering the volume of the City's procurement processes – namely, hundreds of contracts, purchase orders, and invitations for competitive bidding. In the event of an emergency, which is not well-defined in the legislation, this noticing requirement could be substantially detrimental to the City's ability to deliver services to the community with the necessary urgency. In non-emergency scenarios, this noticing requirement would cause unnecessary delays, which could be compounded into a variety of issues, such as service delivery or additional expenses.

The City's Finance Department conducted a preliminary analysis that determined AB 339 could potentially affect all the City's service procurements, causing extended procurement timelines and increased workloads due to additional noticing requirements. The most recent annual period for all general services executed by the Finance Department that are subject to a competitive process (value over \$10,000) included 103 contracts valued at \$115 million and 655 purchase orders valued at \$151 million. Roughly half of all purchase orders are classified as service procurements. Based on

July 22, 2025

Subject: Opposition to Assembly Bill 339 (Ortega)

Page 3

this annual period of data, the following City departments would be most affected by this legislation:

- Public Works
- Transportation
- Information Technology
- Environmental Services
- Police
- Airport

AB 339 is currently being opposed by the League of California Cities, the California State Association of Counties, the California Chamber of Commerce, the California Association of Nonprofits, the Counties of Los Angeles, Santa Clara, and San Mateo, the Bay Area Air Quality Management District, and the Association of Community Human Service Agencies, among others. The League of California Cities issued a coalition letter in opposition to this legislation on July 1, 2025, and is included as Attachment C of this memorandum.

The City Council-adopted 2025 Legislative Program includes a policy position to oppose legislation that removes or limits local control and restricts decision making at the local level. Given the potential scope of impact of this bill, staff is requesting the City Council make a determination to take official opposition action on this legislation.

EVALUATION AND FOLLOW-UP

Should the City Council adopt the staff recommendation to take an opposing position on AB 339, the City Manager's Office will issue a letter of opposition in accordance with City Council direction and direct the City's state lobbyist to advocate on the City's behalf.

COORDINATION

The Administration coordinated this memorandum with the City Attorney's Office, City Manager's Budget Office, City Manager's Office of Employee Relations, and the departments of Airport and Finance.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the August 12, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-010, City Organizational and Administrative Activities resulting in no changes to the physical environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

A handwritten signature in black ink that reads "Sarah Zárate". The signature is written in a cursive, flowing style.

Sarah Zárate
Director, City Manager's Office of
Administration, Policy, and
Intergovernmental Relations

For questions, please contact Steve Stamos, Interim Assistant to the City Manager, Interim Chief Intergovernmental Relations Officer, at steve.stamos@sanjoseca.gov.

ATTACHMENTS

Attachment A: Assembly Bill 399 Legislative Text as of July 15, 2025

Attachment B: Senate Labor, Public Employment and Retirement Committee Analysis dated July 9, 2025

Attachment C: Coalition Letter

Attachment A

AMENDED IN SENATE JULY 15, 2025

AMENDED IN SENATE JUNE 18, 2025

AMENDED IN ASSEMBLY MAY 23, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 339

Introduced by Assembly Member Ortega

January 28, 2025

An act to add Section 3504.1 to the Government Code, relating to public employment.

LEGISLATIVE COUNSEL’S DIGEST

AB 339, as amended, Ortega. Local public employee organizations: notice requirements.

Existing law, the Meyers-Milias-Brown Act, contains various provisions that govern collective bargaining of local represented employees and delegates jurisdiction to the Public Employment Relations Board to resolve disputes and enforce the statutory duties and rights of local public agency employers and employees. Existing law requires the governing body of a public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee organizations.

Existing law requires the governing body of a public agency, and boards and commissions designated by law or by the governing body, to give reasonable written notice, except in cases of emergency, as specified, to each recognized employee organization affected of any ordinance, rule, resolution, or regulation directly relating to matters within the scope of representation proposed to be adopted by the governing body or the designated boards and commissions.

This bill would require the governing body of a public agency, and boards and commissions designated by law or by the governing body of a public agency, to give the recognized employee organization no less than 60 days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization. ~~organization, subject to certain exceptions.~~ The bill would require the notice to include specified information, including the anticipated duration of the contract. The bill would also require the public agency, if an emergency or other exigent circumstance prevents the public agency from providing the written notice described above, to provide as much advance notice as is practicable under the circumstances. If the recognized employee organization demands to meet and confer after receiving the written notice, the bill would require the public agency and recognized employee organization to meet and confer in good faith within a reasonable time, as specified. By imposing new duties on local public agencies, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement shall be made pursuant to these statutory provisions for costs mandated by the state pursuant to this act, but would recognize that a local agency or school district may pursue any available remedies to seek reimbursement for these costs.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 3504.1 is added to the Government Code,
- 2 immediately following Section 3504, to read:
- 3 3504.1. (a) Except as provided in subdivision (c), the
- 4 governing body of a public agency, and boards and commissions
- 5 designated by law or by the governing body of a public agency,
- 6 shall give the recognized employee organization no less than 60
- 7 days' written notice before issuing a request for proposals, request
- 8 for quotes, or renewing or extending an existing contract, to
- 9 perform services that are within the scope of work of the job

1 classifications represented by the recognized employee
2 organization.

3 (b) The written notice specified in subdivision (a) shall include
4 all of the following:

5 (1) The anticipated duration of the contract.

6 (2) The scope of work under the contract.

7 (3) The anticipated cost of the contract.

8 (4) The draft solicitation, or if not yet drafted, any information
9 that would normally be included in a solicitation.

10 (5) The reason the public agency believes the contract is
11 necessary.

12 (c) If an emergency or other exigent circumstance prevents the
13 public agency from providing the amount of notice required by
14 subdivision (a), the public agency shall provide as much advance
15 notice as is practicable under the circumstances.

16 (d) If the recognized employee organization demands to meet
17 and confer after receiving the written notice, the public agency
18 and recognized employee organization shall, within a reasonable
19 time, meet and confer in good faith relating to the public agency's
20 proposed decision to enter into the contract and any negotiable
21 effects thereof.

22 (e) (1) This section shall not diminish any rights of an employee
23 or recognized employee organization provided by law or a
24 memorandum of understanding.

25 (2) This section shall not invalidate any provision of a
26 memorandum of understanding in effect on the operative date of
27 this section.

28 (3) *This section does not apply to a contract for construction,*
29 *alteration, demolition, installation, repair, or maintenance work*
30 *that is subject to Chapter 1 (commencing with Section 1720) of*
31 *Part 7 of Division 2 of the Labor Code or a contract for highly*
32 *specialized data, software, or services related to that construction,*
33 *alteration, demolition, installation, repair, or maintenance work.*

34 (f) *Nothing in this section shall be construed to exempt contracts*
35 *from the notice, meet and confer, or other procedural requirements*
36 *applicable to contracting for services under existing collective*
37 *bargaining laws, including this chapter.*

38 SEC. 2. No reimbursement shall be made pursuant to Part 7
39 (commencing with Section 17500) of Division 4 of Title 2 of the
40 Government Code for costs mandated by the state pursuant to this

- 1 act. It is recognized, however, that a local agency or school district
- 2 may pursue any remedies to obtain reimbursement available to it
- 3 under Part 7 (commencing with Section 17500) and any other law.

O

SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	AB 339	Hearing Date:	July 9, 2025
Author:	Ortega		
Version:	June 18, 2025		
Urgency:	No	Fiscal:	Yes
Consultant:	Glenn Miles		

SUBJECT: Local public employee organizations: notice requirements

KEY ISSUE

This bill requires public agencies regulated by the Meyers-Milias-Brown Act (MMBA) to give a recognized employee organization no less than 60 days' written notice regarding contracts to perform services that are within the scope of work of job classifications represented by the recognized employee organization.

ANALYSIS

Existing law:

- 1) Authorizes counties to contract for special services on behalf of the following public entities: the county, any county officer or department, or any district or court in the county. Special services or special skills contracts shall be with persons specially trained, experienced, expert and competent to perform the special services. (Government Code (GC) §31000)
- 2) Authorizes counties to contract with temporary help firms for temporary help to assist county agencies, departments, or offices during any peak load, temporary absence, or emergency other than a labor dispute, provided the board determines that it is in the economic interest of the county to provide such temporary help by contract, rather than employing persons for such purpose. Use of temporary help under this section shall be limited to a period of not to exceed 90 days for any single peak load, temporary absence, or emergency situation. (GC §31000.4)
- 3) Authorizes cities to contract with any specially trained and experienced person, firm, or corporation for special services and advice in financial, economic, accounting, engineering, legal, or administrative matters. (GC §37103)
- 4) Authorizes the legislative body of any public or municipal corporation or district to contract with and employ any persons for special services and advice in financial, economic, accounting, engineering, legal, or administrative matters if such persons are specially trained, experienced, and competent to perform the special services required. (GC §53060)
- 5) Provides several statutory frameworks under California law to provide public employees collective bargaining rights, govern public employer-employee relations, and limit labor strife and economic disruption in the public sector through a reasonable method of resolving disputes regarding wages, hours and other terms and conditions of employment between public employers and recognized public employee organizations or their exclusive representatives. These include the Meyers-Milias-Brown Act (MMBA) which provides for

public employer-employee relations between *local* government employers and their employees, including some, but not all public transit districts. (Government Code §3500 et seq.)

- 6) Establishes PERB, a quasi-judicial administrative agency charged with administering certain statutory frameworks governing employer-employee relations, resolving disputes, and enforcing the statutory duties and rights of public agency employers and employee organizations. (Government Code §3541)

This bill:

- 1) Requires the public agency to give the recognized union no less than 60 days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract, to perform services that are within the scope of work of the job classifications represented by the recognized employee organization.
- 2) Requires the written notice to include all of the following:
 - a. The anticipated duration of the contract.
 - b. The scope of work under the contract.
 - c. The anticipated cost of the contract.
 - d. The draft solicitation, or if not yet drafted, any information that would normally be included in a solicitation.
 - e. The reason the public agency believes the contract is necessary.
- 3) Provides that if an emergency or other exigent circumstance prevents the public agency from providing the required amount of notice the public agency shall provide as much advance notice as is practicable under the circumstances.
- 4) Requires the public agency and the union, if the union demands so, to meet and confer within a reasonable time in good faith relating to the public agency's proposed decision to enter into the contract and any negotiable effects thereof.
- 5) Provides that the bill's provisions shall not diminish any rights of an employee or recognized union provided by law or a memorandum of understanding.
- 6) Provides that the bill's provisions shall not invalidate any provision of a memorandum of understanding in effect on the operative date of this bill.
- 7) Provides that no reimbursement shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act.
- 8) Recognizes, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other law.

COMMENTS

1. Committee Amendments

The committee recognizes the importance of ensuring that local public employers adhere to the long-standing state policy that public agency employees, not private contractors, perform public agency work. This bill supports that policy.

However, the committee acknowledges the many concerns expressed by several groups regarding this bill's potential unintended consequences. While unable to address all opposition concerns, the committee recommends the author take the following amendments in this committee to ensure that certain contracts for specialized public works projects are exempt from the bill's provisions to avoid interruptions in key projects. The committee also encourages the author to continue to work with opposition to address their remaining concerns if the bill proceeds:

Government Code 3504.1

(e) (1) This section shall not diminish any rights of an employee or recognized employee organization provided by law or a memorandum of understanding.

(2) This section shall not invalidate any provision of a memorandum of understanding in effect on the operative date of this section.

(3) This section does not apply to a contract for construction, alteration, demolition, installation, repair, or maintenance work that is subject to Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code or a contract for highly specialized data, software, or services related to that construction, alteration, demolition, installation, repair, or maintenance work.

(f) Nothing in this section shall be construed to exempt such contracts from the notice, meet and confer, or other procedural requirements applicable to contracting for services under existing collective bargaining laws, including the Meyers-Milias-Brown Act.

2. Need for this bill?

According to the author:

“Local governments use a procurement process, often involving RFPs and requests for qualifications (RFQs), for externally contracted services. This process is distinct from formal competitive bidding and can have different requirements regarding public bidding laws and disclosure. Additionally, proposals submitted in response to an RFP or RFQ are typically exempt from disclosure under the California Public Records Act.

When local governments decide to contract out the work of their public employees, the Meyers-Milias-Brown Act (MMBA) and the Public Employment Relations Board (PERB) case law requires the agency to notify the union and bargain over either the decision or its impacts. However, very few local governments comply with this requirement. Unions are

unaware that their bargaining unit work has been contracted out until it's too late to meaningfully engage their existing bargaining rights.”

3. Proponent Arguments

According to Service Employees International Union, California:

“Under the Meyers-Milias-Brown Act (MMBA), California local governments are generally required to notify employee unions before contracting for work traditionally performed by bargaining unit members. This notice is part of the obligation to engage in good faith bargaining and allows the union to negotiate the decision or the impacts of contracting out represented employees. However, since the beginning of the privatization movement, local governments have rarely complied with this requirement. As local governments have increasingly shifted public services to the private sector, union density has declined, resulting in lower wages and working conditions for all Californians.

AB 339 would require local governments to notify unions of plans to contract out bargaining unit work 60 days *before* engaging in an RFP or RFQ process. This notification will allow unions to exercise their right to bargain over the decision or impacts of contracting out before employers begin the process to do so. The 60-day timeframe will allow both parties to schedule and complete multiple negotiation sessions, if needed.”

According to California Federation of Labor Unions:

“Contracting out by local government has eliminated good union public sector jobs that provide a path to the middle class. Large-scale privatization has led to the decline of public sector union density and a reduction in working conditions and lower wages. Contracting out practices that fail to adhere to responsible contracting standards further undermine collective bargaining rights of public sector workers while simultaneously reducing the quality of essential services and increasing the cost of public service delivery.”

4. Opponent Arguments:

According to the County of Los Angeles:

“AB 339 undermines timely service delivery and creates disincentives for finalizing labor agreements. It applies to contracts overlapping with represented job classifications, impacting a vast majority of LA County contracts. It also expands obligations under the Meyers-Milias-Brown Act (MMBA), interfering with longstanding contracting practices and provisions in Memoranda of Understanding (MOUs), ultimately harming public services. The bill's lack of a clear definition for emergencies weakens emergency contracting authority and creates inefficiencies. In disasters, such as the January wildfires in Los Angeles, AB 339 would delay recovery, increase costs, and worsen community suffering.”

According to the California Association of Nonprofits:

“AB 339 would require nearly every contract proposed by local agencies to be subject to notice and possibly meet-and-confer requirements. This is impractical in execution, and unworkable for ensuring provision of public services, which are often carried out faithfully by nonprofit organizations. Furthermore, there is a lack of clarity about what topics are

allowed to be discussed during the ‘demand to meet-and-confer’, such as limiting discussion purely to the RFP language. As written, AB 339 could deter local agencies from working in partnership with local community organizations like nonprofits, who are at the front lines of providing critical local services, and who are already under attack by the federal government, adding considerable uncertainty to our sector’s ongoing financial viability.”

According to a coalition of contracting organization representatives, including the American Council of Engineering Companies:

“AB 339 will significantly delay public works projects and could grind building permit processing, design, and construction of needed housing or infrastructure projects to a halt. Public works projects involve multiple phases of design, which require a diverse array of services – including site assessments, geotechnical services, land surveys, plan check, and traffic studies, to name just a few – that cannot be fully known until earlier phases have [been] completed, making it impossible for agencies to complete all of AB 339's notification pauses at the outset of a project. These notices would therefore be compounded, causing projects to be delayed by multiples of the 60-day pause before a shovel ever touches the ground.”

5. Prior Legislation:

AB 2557 (Ortega, 2024) would have placed requirements on local governmental agencies related to contracting out services, as specified. *This bill died in the Senate Appropriations Committee.*

AB 2561 (McKinnor, Chapter 409, Statutes of 2024) required a public agency to present the status of vacancies and recruitment and retention efforts during a public hearing before the governing board at least once per fiscal year and entitles the union for a bargaining unit to make a presentation at the public hearing, as specified.

AB 2489 (Ward, 2024) would have required a local government that wants to contract for special services or temporary help already performed by union employees to notify, in writing, the exclusive representative of the workforce, at least 10 months before beginning a procurement process to contract for special services that are currently, or were in the previous 10 years, performed by employees of the county, any county officer or department, or any district court in the county represented by an employee organization, of its determination to begin that process. *This bill died in the Assembly Appropriations Committee.*

AB 1250 (Jones-Sawyer, 2017) would have prohibited a county from contracting for personal services currently or customarily performed by that county’s employees unless it made specified findings. *The Senate Rules Committee held this bill in committee.*

SUPPORT

Service Employees International Union, California (Co-sponsor)
American Federation of State, County and Municipal Employees (Co-sponsor)
California Federation of Labor Unions (Co-sponsor)
California Nurses Association

California Professional Firefighters
California Safety and Legislative Board, Smart – Transportation Division
California School Employees Association
California Teachers Association
Center for Biological Diversity
Central Coast Alliance United for a Sustainable Economy
Courage California
Echo Park United Methodist Church
Equal Rights Advocates
Greenpeace USA
IATSE Local 33
LA Plaza United Methodist Church
Los Angeles Alliance for a New Economy
Los Angeles Black Worker Center
Lutheran Office of Public Policy - California
National Union of Healthcare Workers
Peace Officers Research Association of California
Professional Engineers in California Government
Public Advocates INC.
Santa Barbara County Action Network
Tech Equity Action
UAW Region 6
Union of American Physicians and Dentists
Urban Habitat

OPPOSITION

Abrazar, INC.
Advocate Association of California Water Agencies
American Council of Engineering Companies
American Institute of Architects California
American Society of Civil Engineers, Region 9
American Staffing Association
Aresis Ensemble (City Garage Theatre)
Association of California Healthcare Districts
Association of California Water Agencies
Association of Community Human Service Agencies
Bay Area Air Quality Management District
Bay Area Bioscience Education Community
Building a Generation
C&A: Social Impact Consulting
Cal Chamber
California & Nevada Civil Engineers and Land Surveyors Association
California Alliance of Child and Family Services
California Animal Welfare Association
California Association for Local Economic Development
California Association of Nonprofits
California Association of Public Hospitals & Health Systems
California Association of Recreation & Park Districts
California Association of Sanitation Agencies
California Behavioral Health Association

California Building Officials
California Chapters of the American Public Works Association
California Contract Cities Association
California Geotechnical Engineers Association
California Landscape Contractors Association
California Parks & Recreation Society
California Special Districts Association
California Staffing Professionals
California State Association of Counties
California State Sheriffs' Association
California Transit Association
California-Nevada Section, American Water Works Association
Ceres Community Project
Children's Institute
City of Bakersfield
City of Barstow
City of Beaumont
City of Chino Hills
City of Colton
City of Eureka
City of Fortuna
City of Foster City
City of Inglewood
City of Kerman
City of La Habra
City of La Verne
City of Lakeport
City of Lincoln
City of Livermore
City of Lomita
City of Los Banos
City of Madera
City of Manteca
City of Martinez
City of Montclair
City of Newport Beach
City of Norwalk
City of Pittsburg
City of Redwood City
City of Simi Valley
City of Upland
City of Vernon
City of Vista
City of Waterford
City of Whittier
Coastal Nonprofit Consulting
Collective Resilience
Community Bridges
Contra Costa Water District
County Health Executives Association of California

County of Butte
County of Contra Costa
County of Fresno
County of Humboldt
County of Kern
County of Kings
County of Lake
County of Los Angeles
County of Mendocino
County of Merced
County of Nevada
County of Orange
County of Placer
County of Riverside
County of Sacramento
County of San Benito
County of San Bernardino
County of San Joaquin
County of San Mateo
County of Santa Clara
County of Santa Clara Office of the County Counsel
County of Siskiyou
County of Sutter
County of Tulare
County of Ventura
Creative Alternatives
DUC Learning Center
Elsinore Valley Municipal Water District
Family Service Association
Helix Water District
Immigrant Legal Defense
Jewish Family Service of San Diego
Jurupa Community Services District
Kidstream Children's Museum
League of California Cities
Mend-Meet Each Need With Dignity
Mountain Homeless Coalition
Office of Samoan Affairs
Open Heart Kitchen
Orange County Business Council
Orange County Sanitation District
Oxnard Performing Arts Center Corporation
PATH
Peninsula Family Service
Public Risk Innovation, Solutions, and Management
Queen of Hearts Therapeutic Riding Center, INC.
Raíces Y Cariño
Richmond Community Foundation
Rural County Representatives of California
SACRA/PROFANA

San Diego Humane Society
San Francisco Study Center
Silicon Valley Council of Nonprofits
South San Joaquin Irrigation District
The Aresis Ensemble INC.
The Can Man
The Nonprofit Partnership
Town of Apple Valley
Town of Truckee
Transportation California
Tree People
Turning Point
Turning Point Community Programs
Urban Counties of California
VistAbility
Waymakers

-- END --

Attachment C



July 1, 2025

The Honorable Lola Smallwood-Cuevas, Chair
Senate Labor, Public Employment, and Retirement Committee
1021 O Street, Suite 6530
Sacramento, CA 95814

Re: **AB 339 (Ortega): Local public employee organizations: notice requirements
As amended 6/18/25 – OPPOSE
Awaiting hearing – Senate Labor, Public Employment, and Retirement
Committee**

Dear Senator Smallwood-Cuevas:

On behalf of the Urban Counties of California (UCC), California State Association of Counties (CSAC), Rural County Representatives of California (RCRC), Association of California Healthcare Districts (ACHD), California Special Districts Association (CSDA), League of California Cities (CalCities), Public Risk Innovation, Solutions, and Management (PRISM), Association of California Water Agencies (ACWA), County Health Executives Association of California (CHEAC), California State Sheriffs' Association (CSSA), Contra Costa County, Fresno County, Lake County, Los Angeles County, Merced County, Placer County, Riverside County, Sacramento County, San Joaquin County, San Mateo County, Santa Clara County, San Bernardino County, Ventura County, South San Joaquin Irrigation District, American Council of Engineering Companies of California, California Geotechnical Engineering Association (CalGeo), the American Institute of Architects California, Transportation California, California Building Officials (CALBO), California Association of Recreation and Park Districts (CARPD), California Transit Association, California Association of Sanitation Agencies (CASA), the California and Nevada Civil Engineers and Land Surveyors Association (CELSA), Helix Water District, the California Association of Public Hospitals and Health Systems (CAPH), California Animal Welfare Association (CalAnimals), Bay Area Air District, California-Nevada Section, American Water Works Association (CA-NV AWWA), the Jurupa Community Services District, the American Public Works Association – California Chapters, the California Park and Recreation Society (CPRS), Contra Costa Water District, and the American Society of Civil Engineers (ASCE)-Region 9, we write in respectful opposition to Assembly Bill 339, as recently amended. This measure would require the governing body of a local public agency (non-school) to provide written notice to the employee organization no less than 60 days prior to issuing any request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization, and to engage in potentially extensive and lengthy negotiations regarding each of those actions upon request. AB 339 would be impractical in its execution, is unworkable for ensuring provision of public services, and undermines local labor negotiations.

AB 339 applies to **any** contract that is within the scope of work of any job classification represented by a recognized employee organization; for local agencies with represented workforces, this essentially means nearly every contract would be subject to notice and possible meet and confer. This provision is considerably broader than the existing requirement for bargaining under the Meyers-Milias Brown Act (MMBA); under existing law, where contracting out is legally permissible, local agencies are still required to “meet and confer in good faith” with any affected bargaining unit prior to making any decision **that is within the scope of representation**. (Gov. Code, §§ 3505.) However, existing law incorporates several common-sense limitations upon the requirement to meet and confer – including where there is a longstanding past practice of contracting for particular services, or where contracting out is contemplated in the applicable MOU. AB 339 subverts these well-settled principles to the detriment of local public services.

It is important to note that an administrative remedy is already available to recognized employee organizations when they believe that a local agency has neglected to meet existing notification and

meet and confer requirements regarding contracting. Failure to adhere to existing requirements under the MMBA and related case law subjects a local agency to a potential unfair labor practice charge at the Public Employment Relations Board (PERB).

The lack of definition of emergency or exigent circumstances in AB 339 undermines existing emergency contracting authority; further, this provision only applies to the initial notice requirement – not the meet and confer provisions – making the provision nearly meaningless in an emergency circumstance. You are undoubtedly aware of the considerable responsibility assumed by local agencies in a natural disaster, public health emergency, or other local crisis. As first responders, local agencies rely on existing statutes that allow for considerable flexibility to ensure the safety and well-being of our communities.

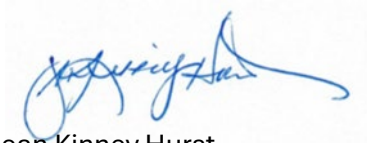
In addition, AB 339 will significantly delay public works projects and could grind building permit processing, design, and construction of needed housing or infrastructure projects to a halt. Public works projects involve multiple phases of design, which require a diverse array of services – including site assessments, geotechnical services, land surveys, plan check, and traffic studies, to name just a few – that cannot be fully known until earlier phases have completed, making it impossible for agencies to complete all of AB 339's notification pauses at the outset of a project. These notices would therefore be compounded, causing projects to be delayed by multiples of the 60-day pause before a shovel ever touches the ground. Since the bill applies to **any** services within **any** recognized employee organization's scope, this will include instances in which none of an agency's employees currently, or ever, have performed those services. The vast majority of agencies lack the resources and expertise to have 100 percent of their design needs performed by its own engineers, planners, and other design professionals on staff. Should one of these agencies need to transfer responsibility for conducting vital design services – plan checking an application for a housing development permit, for example – they could be left without qualified staff to perform those essential functions for at least 60 days.

The bill also deters local agencies from working in partnership with local community organizations, who are at the front lines of providing critical local services, and who are already under scrutiny by the federal government, adding considerable uncertainty to their ongoing financial viability.

Finally, sponsors continue to assert that documents associated with a Request for Proposals (RFP), Request for Quotes (RFQ), contract extensions, and contract renewals are not disclosed to the public. In truth, RFPs and RFQs are typically public by nature and subject to competitive bidding processes and regulations, while contracts are almost always disclosable public records under the Public Records Act. ***We dispute that local agencies are inappropriately withholding public records and further disagree that local agencies are failing to comply with existing notification requirements under the MMBA. If either were true, there are already existing remedies for sponsors to address these issues.***

Like previous unsuccessful proposals that have sought to undermine local agencies' ability to contract for public services, AB 339 represents a sweeping change to the fundamental work of local governments, but we remain unaware of a specific, current, and widespread problem that this measure would resolve or prevent. We are keenly aware, though, of the very real harm that could result from this measure. AB 339 will not improve services, reduce costs, or protect employees. As a result, we are opposed. Should you have any questions about our position, please reach out directly.

Sincerely,



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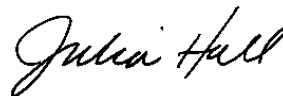
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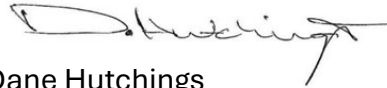
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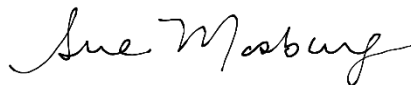
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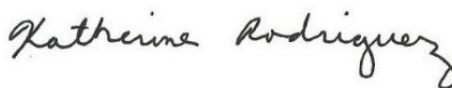
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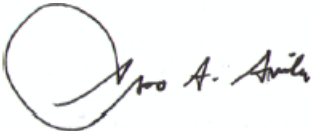
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Marvin J. Deon II
Chief Legislative Representative
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cc: Members and Consultants, Senate Labor, Public Employment and Retirement Committee
The Honorable Liz Ortega, California State Assembly