



CITY OF LAVERNE CITY HALL

3660 "D" Street, La Verne, California 91750-3599
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July 3, 2024

Senate Labor, Public Employment and Retirement Committee
1021 O Street, Room 6740
Sacramento, CA 95814

Submitted via the Legislative Position Letter Portal

RE: Opposition of Assembly Bill 2557 (AB 2557) Local agencies: contracts for special services and temporary help: performance reports.

Dear Honorable Senate Labor, Public Employment and Retirement Committee Members:

I am writing on behalf of the City of La Verne to express our strong opposition to Assembly Bill 2557 (AB 2557), which poses significant challenges and financial burdens on municipalities when it comes to contracts. AB 2557 requires contractors to submit detailed reports every 180 days, which could deter private entities and nonprofit organizations from bidding on local government contracts, leading to fewer bidders, higher contract costs, or even the inability to secure necessary services. This would ultimately affect our ability to deliver essential public services to our community.

The bill's broad application has costly implications, impacting over 4,800 local agencies in California. Most local agencies rely on contractors to provide various programs and services, especially given current public sector workforce shortages. Implementing the provisions of AB 2557 will be expensive, diverting scarce public resources at a time when state and local agencies face significant fiscal challenges.

The new requirements are burdensome, duplicative, and impractical. While recent amendments remove the obligation for contractors to report directly, they still require local agencies to include these extensive requirements in their contracts. This means contractors will need to provide significant information that may not be directly applicable to their work or may duplicate other mandated reporting requirements. Additionally, the requirement to post contracts and related documents separately on local agencies' websites will necessitate considerable investment in IT infrastructure and staff, adding further financial strain.

Local agencies are already subject to statutory limitations on contracting under laws such as the Meyers-Milias-Brown Act (MMBA). These laws establish that local

agencies cannot contract out work currently performed by bargaining unit employees simply to save money, and most contracting-out decisions are already subject to meet-and-confer requirements. Any desirable requirements of this bill could be negotiated at the bargaining table, considering local conditions appropriately, instead of through an unfunded mandate from the state onto local jurisdictions.

These additional burdens undermine a collaborative relationship with private sector and non-profit partners, essential to meeting statutory obligations and effectively serving our communities. AB 2557 represents a sweeping change to local government operations without addressing a specific, current problem. Instead, it poses very real harm by not improving services, reducing costs, or protecting employees. As a result, we oppose AB 2557.

Should you have any questions about our position, please reach out directly.

Sincerely,

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

Tim Hepburn
Mayor

C: City Council
Ken Domer, City Manager