



# County of Monterey

## Board of Supervisors

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June 10, 2024

The Honorable Liz Ortega  
California State Assembly  
State Capitol, Room 5120  
Sacramento, CA 95814

**Re: AB 2557 (Ortega): Local agencies: contracts for special services and temporary help: performance reports.  
– OPPOSE**

Dear Assemblymember Ortega,

The County of Monterey is writing in opposition to your measure Assembly Bill (AB) 2557. This bill would create a de facto prohibition on county service contracts due to the onerous obligations and costs associated with its requirements, creating untenable circumstances for local agencies and serious consequences for the communities we serve.

Specifically, AB 2557 would require local agencies—at least 10 months prior to a procurement process to contract for special services that are currently or in the past 10 years provided by a member of an employee organization—to notify the employee organization affected by the contract of its determination to begin a procurement process by the governing body. The definitions of special services vary by agency type but cover a broad array of services provided by local agencies, from essential government administration services to medical and therapeutic services to legal and other technical services. This is an infeasible obligation, as local agencies often are unaware of a need for a procurement process 10 months prior. Such a situation could occur under any number of circumstances: from a labor dispute that results in a strike, a natural disaster, a global pandemic, emergency utility repairs, emergent and on-call situations, etc. Local agencies have proven their ability to be adaptable in times of need, but the 10-month timeframe and extensive range of services included in AB 2557 are both arbitrary and unworkable, impeding local agencies' capacity to respond to local needs.

AB 2557 would also require contractors to provide quarterly performance reports with a litany of required components, including personally identifiable information for its employees and subcontractors, that is then subject to the California Public Records Act. An entire local bureaucracy would have to be created at a considerable cost to comply with provisions that require these quarterly performance reports to be monitored to evaluate the quantity of service. A particularly troubling provision would require the local agency to withhold payment to the contractor under any of the following circumstances that are deemed a breach of contract:

1. Three or more consecutive quarterly performance reports are deemed as underperforming by a representative of the governing body or a representative of the exclusive bargaining unit; and
2. The contractor fails to provide the quarterly reports required by this section or provides a report that is incomplete. Payment may only be made when a contractor submits a plan to achieve substantial compliance with the contract and this section, unless the governing body, the employee organization, or assigned representatives reject the plan as insufficient and explain the reasons for the rejection or, in the case of incomplete reports, all complete reports are provided unless the governing body, the employee organization, or assigned representatives reject the reports as incomplete.



These provisions would undoubtedly deter non-profit providers, community-based organizations, and other private service providers from engaging with local agencies, likely exacerbating existing demanding caseloads and workloads for our current staff and driving up costs. In addition, not only would private employee data be accessible to any member of the public via the California Public Records Act, but the measure disregards constitutional privacy rights by requiring the publication of personal financial information about private employees. Finally, these provisions elevate the employee organization to a decision-making entity for the expenditure of local resources equal to that of the duly elected governing body that is directly accountable to voters.

It is important to note that local agencies are already subject to the statutory provisions of the Meyers Miliias-Brown Act (MMBA), the Ralph C. Dills Act, and related provisions of State law. These laws already establish that local agencies cannot contract out bargaining unit work simply to save money and most contracting-out decisions are subject to meet-and-confer requirements. There are exceptions to the meet-and-confer requirement in cases of compelling necessity (like an emergency) or when there is an established past practice of contracting out particular work. AB 2557 does not incorporate either of these limitations.

AB 2557 will not improve services, reduce costs, or protect employees. For these reasons, the County of Monterey must oppose your Assembly Bill 2557. Should you have any questions, please feel free to contact the County of Monterey's Public Policy Advisor, Ashley Walker of Nossaman LLP at 916-442-8888.

Sincerely,

**draft**

**Glenn Church, Chair**  
Board of Supervisors

cc: Chair & Members, Senate Local Government Committee  
Consultants, Senate Local Government Committee  
The Honorable Dawn Addis, 30<sup>th</sup> Assembly District  
The Honorable Anna Caballero, 14<sup>th</sup> Senate District  
The Honorable John Laird, 17<sup>th</sup> Senate District  
The Honorable Robert Rivas, 29<sup>th</sup> Assembly District  
California State Association of Counties (CSAC)  
Rural County Representatives of California (RCRC)