



July 30, 2024

The Honorable Liz Ortega
California State Assembly
1021 O Street, Room 5120
Sacramento, CA 95814

Mayor

Will O'Neill

Mayor Pro Tem

Joe Stapleton

Council Members

Brad Avery

Noah Blom

Robyn Grant

Lauren Kleiman

Erik Kenneth Weigand

**RE: AB 2557 (Ortega): Local Agencies: Contracts for Special Services and Temporary Help: Performance Reports
City of Newport Beach – Notice of Opposition**

Dear Assembly Member Ortega,

On behalf of the City of Newport Beach, I write to express our respectful opposition to AB 2557 (Ortega), which relates to contracting by local agencies. AB 2557 is overly burdensome and inflexible, which will likely result in worse outcomes for vulnerable communities and diminished local services for our residents.

The City of Newport Beach, along with over 4,800 local agencies throughout the state, rely on partnerships with trusted local businesses and community partners to deliver core services. Given the current workforce shortages, it would be difficult to provide these services without their capable assistance. Local service providers and community-based organizations often deliver services more efficiently and cost-effectively than government agencies can alone. Limiting these partnerships will result in increased costs, service reductions, and the potential elimination of essential programs, leaving those who rely on these services without support.

AB 2557 significantly broadens the notification requirements for local agencies. Under the existing Meyers-Millias-Brown Act (MMBA), local agencies are required to notify bargaining units of their intent to contract out for items within the scope of representation. This measure extends those requirements to include contracts, including those clearly outside the scope of representation. As a result, the new requirement will increase staff workload and extend the time required to finalize contracts. More broadly, any of the requirements in this measure, if desirable to local agency employees and their representatives, can be negotiated at the bargaining table. We believe that all these issues are better addressed at the bargaining table where local conditions can be appropriately considered.

AB 2557 has already been amended seven times throughout the legislative process. The most recent amendments on July 3, create a new exception for small contracts less than \$100,000 for services for "a function or activity for which the employer has not had a classification within the last five years prior to the initiation of the contract whose duties include the function or activity." This exception

appears to largely restate the types of contracts already excluded from the bill and adds ambiguity by relying on “classifications” while the bill’s triggering provisions do not. In no instance have the many previous amendments to AB 2557 addressed the overarching significant concerns of the local agencies responsible for implementing the bill, nor have they addressed any of the considerable challenges faced by local agencies in attracting and retaining a robust public sector workforce.

Furthermore, these additional burdens continue to undermine a collaborative and productive working relationship with private sector and non-profit partners, who local agencies regard as essential to meeting our statutory obligations and effectively serving our respective communities.

In summary, the provisions proposed in AB 2557 are overly burdensome, costly and inflexible, and are likely resulting in worse outcomes for vulnerable communities and diminished local services for our residents and communities.

For these reasons, the City of Newport Beach opposes AB 2557.

Sincerely,



Will O'Neill
Mayor

cc: Senator Janet Nguyen
Assemblymember Diane Dixon
Newport Beach City Council