



CITY OF LAGUNA NIGUEL

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CITY COUNCIL

Mayor Kelly Jennings
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Council Member Gene Johns
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August 13, 2024

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

SUBJECT: AB 2557 (Ortega): Local Agencies: Contracts for Special Services and Temporary Help: Performance Reports (As amended 7/3/2024)

Dear Assembly Member Ortega,

The City of Laguna Niguel must respectfully oppose AB 2557, a bill related to contracting by local agencies. AB 2557 is overly burdensome and inflexible, likely resulting in worse outcomes for vulnerable communities and diminished local services for our residents.

Broad application has costly implications. Since the City of Laguna Niguel's incorporation in 1989, the City has operated under a contract city model, relying in part on contractors to provide various programs and services. The contract city model has allowed the City of Laguna Niguel to deliver high-quality services to the City's residents while maintaining fiscal responsibility and sustainability. AB 2557 threatens to erode the City's longstanding practice by disincentivizing contractors and non-profit organizations from wanting to partner with the City. Businesses and non-profits that continue collaborating with local agencies will likely pass on the costs to cities, resulting in a decrease or even loss of existing services.

With the additional requirements of AB 2557 for local agencies with represented workforces and their contractors, we can expect fewer non-profit providers, community-based organizations, and other private service providers willing to engage with local agencies. The requirements will also exacerbate already-demanding caseloads and workloads for our existing staff and increase city costs.

Making private employee data subject to the California Public Records Act deters effective partnerships with the private sector. This bill would require anyone who enters a special services contract over \$100,000 in value with a city to perform functions that are currently or were in the prior five years performed by city employees represented by an employee organization to post the contract and any related documents, including any required performance reports on their website. This is an expensive endeavor requiring considerable investment in IT infrastructure and staff for our City.

Additionally, AB 2557 requires contractors to provide information about employees and retain records. This private employee data would be accessible to any member of the public. Public employee data subject to the CPRA has resulted in data mining for profit, as well as subjecting employees to harassment and threats.

Local agencies are already subject to statutory limitations on contracting. Cities are already subject to the statutory provisions of the Meyers-Milias-Brown Act and related state law provisions. 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. All the issues the bill seeks to address are better addressed at the bargaining table, where local conditions can be appropriately considered.

Unclear terminology creates confusion and invites disputes. We remain concerned that the notification timeframes provided are impractical. While the bill includes the requirement for a “reasonable” notification to the employee representative, we are unclear as to what exactly this requirement means. Further, the emergency exemption provided in the bill appears to only apply to portions of the notice provisions. Local agencies are first responders and need flexible and accessible means for contracting with a clear understanding of what is required before doing so.

AB 2557 represents a sweeping change to the fundamental work of local governments, but we are unaware of a specific problem that this measure would resolve or prevent. AB 2557 will not improve services, reduce costs, or protect employees. For these reasons, the City of Laguna Niguel respectfully opposes AB 2557.

Should you have any questions about our position, please contact Kevin O'Connor, Management Assistant, at koconnor@cityoflagunaniuel.org.

Sincerely,



Kelly Jennings
Mayor