



CITY OF LAGUNA NIGUEL

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September 17, 2024

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

SUBJECT: AB 2561 (McKinnor) Local public employees: vacant positions
Request for VETO (As Amended 8/23/2024)

Dear Governor Newsom,

The City of Laguna Niguel respectfully requests a veto on AB 2561 (McKinnor), which would require all local agencies to hold a public hearing on the status of vacancies before their governing board at least once per fiscal year. This will inherently create an expensive reimbursable state mandate, adding needless pressure on the state budget at a time of significant budget challenges. Based on a conservative estimate of costs, AB 2561 will result in annual reimbursable costs of up to \$13.5 million or more - not including the additional reporting costs imposed upon agencies with bargaining units that experience vacancy rates exceeding 20%.

AB 2561 would create additional layers of bureaucracy that distract from meaningful efforts to recruit and retain the public sector workforce. While the City of Laguna Niguel is fortunate not to have prolonged vacancies, the provisions of AB 2561 would still require the City to conduct an expensive and time-consuming public hearing annually.

Labor Force Participation Rates and Barriers to Work

Vacancies are unavoidable for both the public and private sectors. A nonexistent vacancy rate for any duration of time is an unreasonable expectation in our modern labor market, particularly for public agencies that lack the financial resources to encourage recruitment and remote work flexibility enjoyed by many employers in the private sector. Public agencies have been frustrated by persistent high vacancy rates in certain fields despite genuine efforts to bolster the public sector workforce. It is an unfortunate reality that many of the contributing factors that affect public sector hiring are forces of the market that are outside of our immediate control. California's growing workforce needs are constrained by the labor supply.

Local Public Agencies Are Addressing Labor Shortages Directly Every Day

Local government decision-makers and public agency department leaders recognize the impact that long-term vacancy rates have, both on current employees and those who receive services from those departments. The City of Laguna Niguel is also competing with the private sector and other government agencies to attract new talent.

If the true intent of AB 2561 is to provide a path for public agencies to reduce staff vacancies, diverting staff away from core service delivery and mandating they spend time preparing for public hearings on their vacancy rates will not achieve that goal. Adding another mandate on public agencies will not solve the problem this bill has identified. It is just as likely to create even more burn-out from employees who will be tasked with producing the very report this bill mandates. We must use our limited human resources staff to hire and onboard employees rather than diverting resources to prepare for unnecessary public hearings that will tell us what we already know.

For these reasons, the City of Laguna Niguel requests a veto on AB 2561. Should you have any questions about our position, please contact Kevin O'Connor, Management Assistant, at koconnor@cityoflagunaniguel.org.

Sincerely,



Kelly Jennings

Mayor

City of Laguna Niguel

Cc: Connor Medina, Cal Cities Regional Public Affairs Manager
League of California Cities