

ASSEMBLY THIRD READING

ACA 14 (Gonzalez)

As Amended June 13, 2019

2/3 vote

SUMMARY:

Requires that the Regents of the University of California (UC) ensure that all contract workers who are paid to perform support services are afforded the same equal employment opportunity standards, including the same wages and value of benefits, as provided to university employees performing similar services.

Major Provisions

- 1) Enacts the UC Equal Employment Opportunity Standards Act to require that the Regents ensure that all contract workers who are paid to perform support services, as defined, for students, faculty, patients, or the general public at any campus, dining hall, medical center, clinic, research facility, laboratory, or other university location, are subject to and afforded the same equal employment opportunity standards, as defined, as university employees performing similar services.
- 2) Defines support services as including but not necessarily limited to, all of the following: cleaning or custodial services; food services; groundskeeping; building maintenance; transportation; security services; billing and coding services; sterile processing; hospital or nursing assistant services; medical imaging or respiratory therapy technician services; and other patient care technical and service bargaining unit work, as defined.
- 3) Provides that the Regents, or any campus or other entity of the UC, may contract for labor to perform support services only if authorized to do so by statute, and only for limited exceptions that include, among other things, a bona fide emergency circumstance or unanticipated special event, as specified, a student housing development, as specified, or to provide licensed, clinically trained workers.
- 4) Requires that any contractual arrangement for a person, firm, or other entity to supply the university with contract labor for one of the exceptions specified above shall not cause or facilitate the displacement of university employees, as defined.
- 5) Provides that nothing precludes the UC from using per diem university employees to complement career or limited term university employees when necessary for staffing levels for temporary or emergency periods.
- 6) Requires that each proposal and the resulting contractual arrangement, and documentation, as specified, shall be, at all times, available to the public.
- 7) Requires that such documentation shall specify that all persons who perform support services under the contractual arrangement shall be compensated in an amount equivalent to the hourly wage rate and the value of benefits provided to university employees who perform the same or similar work or duties on a full-time basis.

COMMENTS:

The California Constitution, Article IX, Section 9, grants the Board of Regents extensive authority to effectively administer the UC system. Their governance authority is subject to very narrow legislative oversight. In recent years, UC's contracting out practices have come under scrutiny. In response, the UC developed employee displacement guidelines and established a university "minimum wage" for contract labor (known as the Fair Wage/Fair Work Plan) in 2015.

In 2017, the California State Auditor released a report concerning the UC's use of service contracts. The audit report reviewed a number of service contracts let by the UC and presented three major findings: 1) the UC does not follow its displacement guidelines, 2) the Office of the President has not enforced compliance with the guidelines and that weaknesses in the guidelines, such as a lack of clarity, are undermining their effectiveness, and 3) despite the UC's minimum wage standard, low-wage contract workers received hourly wages well below those paid to university employees performing similar work and often have no health benefits.

According to the Author:

"As a result of the outsourcing practices of the UC, the economic disparities faced by outsourced, low-wage workers become especially clear. Despite UC policies that aim to mitigate negative impacts, the UC continues to show disregard for its own policies and institutes policies that have significant deficiencies."

Arguments in Support:

The American Federation of State, County and Municipal Employees, Local 3299, sponsor of the bill, states in support, "ACA 14 (Gonzalez) will protect support service workers from those in control of the University of California. These support service workers clean toilets, cut grass, pick up trash, cook food, and clean bedpans. While Article IX of the California Constitution prevents the Legislature and the Governor from correcting these realities at UC, Article II empowers the voters to do so."

Arguments in Opposition:

The University of California states in opposition, "There are a variety of situations where it makes business sense for the University to utilize contract workers for short term assignments that are not needed throughout the year, a practice that would be prohibited under ACA 14. Examples include cleaning of dormitory rooms at the end of the school year, or additional security services needed occasionally for large events such as concerts or commencements."

FISCAL COMMENTS:

One-time General Fund (GF) costs to the Secretary of State (SOS) in the hundreds of thousands of dollars for printing and mailing costs to place the measure on the ballot in a statewide election. Actual costs may be higher or lower, depending on the length of required elements and the overall size of the ballot.

Ongoing GF cost pressures to the UC, possibly in excess of \$150 million, to insource service contracts or to meet the employment standards set forth in this measure. These costs reflect the higher salary and benefit costs of UC employees relative to those hired under service contracts, though specific costs are subject to uncertainty.

VOTES:

ASM LABOR AND EMPLOYMENT: 7-0-0

YES: Kalra, Flora, Carrillo, Diep, Gonzalez, Jones-Sawyer, Luz Rivas

ASM APPROPRIATIONS: 13-4-1

YES: Gonzalez, Bloom, Bonta, Calderon, Carrillo, Chau, Diep, Friedman, Gabriel, Maienschein, Petrie-Norris, Quirk, Robert Rivas

NO: Bigelow, Brough, Fong, Obernolte

ABS, ABST OR NV: Eduardo Garcia

UPDATED:

VERSION: June 13, 2019

CONSULTANT: Megan Lane / L. & E. / (916) 319-2091

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