
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2023 - 2024 Regular Session

SB 640 (Portantino) - California State University: food service contracts and hotel development projects

Version: February 16, 2023
Urgency: No
Hearing Date: May 18, 2023

Policy Vote: ED. 4 - 2, L., P.E. & R. 4 - 1
Mandate: No
Consultant: Lenin Del Castillo

Bill Summary: This bill prohibits the California State University (CSU) from entering into a food service contract or undertaking a hotel development project unless the food service employer or hotel employer is party to a labor peace agreement with a labor organization.

***** **ANALYSIS ADDENDUM – SUSPENSE FILE** *****

The following information is revised to reflect amendments
adopted by the committee on May 18, 2023

Fiscal Impact: This bill could result in indeterminate costs to the CSU. To the extent that it creates an increase in union membership by food service and hotel development employees, the bill could result in increased labor costs at the CSU. This could then lead to cost increases by the food service providers which could, in turn, be passed along to students in the form of higher food prices or more expensive meal plans.

Author Amendments: Provide that if a food service employer or hotel employer cannot reach agreement with a labor organization on the terms of a labor peace agreement, then the bill's requirements may be waived by the Chancellor of the CSU upon a finding that the employer has made a good faith effort to reach a labor peace agreement to protect the trustee's proprietary interest, as specified. The amendments also define "proprietary interest" as an interest in the efficient procurement of goods and services or a financial, nonregulatory interest as a market participant, such as a landlord, contractor, investor, owner, or financier, and make other clarifying changes.

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