
SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

Bill No:	AB 339	Hearing Date:	July 9, 2025
Author:	Ortega		
Version:	June 18, 2025		
Urgency:	No	Fiscal:	Yes
Consultant:	Glenn Miles		

SUBJECT: Local public employee organizations: notice requirements

KEY ISSUE

This bill requires public agencies regulated by the Meyers-Milias-Brown Act (MMBA) to give a recognized employee organization no less than 60 days' written notice regarding contracts to perform services that are within the scope of work of job classifications represented by the recognized employee organization.

ANALYSIS

Existing law:

- 1) Authorizes counties to contract for special services on behalf of the following public entities: the county, any county officer or department, or any district or court in the county. Special services or special skills contracts shall be with persons specially trained, experienced, expert and competent to perform the special services. (Government Code (GC) §31000)
- 2) Authorizes counties to contract with temporary help firms for temporary help to assist county agencies, departments, or offices during any peak load, temporary absence, or emergency other than a labor dispute, provided the board determines that it is in the economic interest of the county to provide such temporary help by contract, rather than employing persons for such purpose. Use of temporary help under this section shall be limited to a period of not to exceed 90 days for any single peak load, temporary absence, or emergency situation. (GC §31000.4)
- 3) Authorizes cities to contract with any specially trained and experienced person, firm, or corporation for special services and advice in financial, economic, accounting, engineering, legal, or administrative matters. (GC §37103)
- 4) Authorizes the legislative body of any public or municipal corporation or district to contract with and employ any persons for special services and advice in financial, economic, accounting, engineering, legal, or administrative matters if such persons are specially trained, experienced, and competent to perform the special services required. (GC §53060)
- 5) Provides several statutory frameworks under California law to provide public employees collective bargaining rights, govern public employer-employee relations, and limit labor strife and economic disruption in the public sector through a reasonable method of resolving disputes regarding wages, hours and other terms and conditions of employment between public employers and recognized public employee organizations or their exclusive representatives. These include the Meyers-Milias-Brown Act (MMBA) which provides for

public employer-employee relations between *local* government employers and their employees, including some, but not all public transit districts. (Government Code §3500 et seq.)

- 6) Establishes PERB, a quasi-judicial administrative agency charged with administering certain statutory frameworks governing employer-employee relations, resolving disputes, and enforcing the statutory duties and rights of public agency employers and employee organizations. (Government Code §3541)

This bill:

- 1) Requires the public agency to give the recognized union no less than 60 days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract, to perform services that are within the scope of work of the job classifications represented by the recognized employee organization.
- 2) Requires the written notice to include all of the following:
 - a. The anticipated duration of the contract.
 - b. The scope of work under the contract.
 - c. The anticipated cost of the contract.
 - d. The draft solicitation, or if not yet drafted, any information that would normally be included in a solicitation.
 - e. The reason the public agency believes the contract is necessary.
- 3) Provides that if an emergency or other exigent circumstance prevents the public agency from providing the required amount of notice the public agency shall provide as much advance notice as is practicable under the circumstances.
- 4) Requires the public agency and the union, if the union demands so, to meet and confer within a reasonable time in good faith relating to the public agency's proposed decision to enter into the contract and any negotiable effects thereof.
- 5) Provides that the bill's provisions shall not diminish any rights of an employee or recognized union provided by law or a memorandum of understanding.
- 6) Provides that the bill's provisions shall not invalidate any provision of a memorandum of understanding in effect on the operative date of this bill.
- 7) Provides that no reimbursement shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act.
- 8) Recognizes, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other law.

COMMENTS

1. Committee Amendments

The committee recognizes the importance of ensuring that local public employers adhere to the long-standing state policy that public agency employees, not private contractors, perform public agency work. This bill supports that policy.

However, the committee acknowledges the many concerns expressed by several groups regarding this bill's potential unintended consequences. While unable to address all opposition concerns, the committee recommends the author take the following amendments in this committee to ensure that certain contracts for specialized public works projects are exempt from the bill's provisions to avoid interruptions in key projects. The committee also encourages the author to continue to work with opposition to address their remaining concerns if the bill proceeds:

Government Code 3504.1

(e) (1) This section shall not diminish any rights of an employee or recognized employee organization provided by law or a memorandum of understanding.

(2) This section shall not invalidate any provision of a memorandum of understanding in effect on the operative date of this section.

(3) This section does not apply to a contract for construction, alteration, demolition, installation, repair, or maintenance work that is subject to Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code or a contract for highly specialized data, software, or services related to that construction, alteration, demolition, installation, repair, or maintenance work.

(f) Nothing in this section shall be construed to exempt such contracts from the notice, meet and confer, or other procedural requirements applicable to contracting for services under existing collective bargaining laws, including the Meyers-Milias-Brown Act.

2. Need for this bill?

According to the author:

“Local governments use a procurement process, often involving RFPs and requests for qualifications (RFQs), for externally contracted services. This process is distinct from formal competitive bidding and can have different requirements regarding public bidding laws and disclosure. Additionally, proposals submitted in response to an RFP or RFQ are typically exempt from disclosure under the California Public Records Act.

When local governments decide to contract out the work of their public employees, the Meyers-Milias-Brown Act (MMBA) and the Public Employment Relations Board (PERB) case law requires the agency to notify the union and bargain over either the decision or its impacts. However, very few local governments comply with this requirement. Unions are unaware that their bargaining unit work has been contracted out until it's too late to meaningfully engage their existing bargaining rights.”

3. Proponent Arguments

According to Service Employees International Union, California:

“Under the Meyers-Milias-Brown Act (MMBA), California local governments are generally required to notify employee unions before contracting for work traditionally performed by bargaining unit members. This notice is part of the obligation to engage in good faith bargaining and allows the union to negotiate the decision or the impacts of contracting out represented employees. However, since the beginning of the privatization movement, local governments have rarely complied with this requirement. As local governments have increasingly shifted public services to the private sector, union density has declined, resulting in lower wages and working conditions for all Californians.

AB 339 would require local governments to notify unions of plans to contract out bargaining unit work 60 days *before* engaging in an RFP or RFQ process. This notification will allow unions to exercise their right to bargain over the decision or impacts of contracting out before employers begin the process to do so. The 60-day timeframe will allow both parties to schedule and complete multiple negotiation sessions, if needed.”

According to California Federation of Labor Unions:

“Contracting out by local government has eliminated good union public sector jobs that provide a path to the middle class. Large-scale privatization has led to the decline of public sector union density and a reduction in working conditions and lower wages. Contracting out practices that fail to adhere to responsible contracting standards further undermine collective bargaining rights of public sector workers while simultaneously reducing the quality of essential services and increasing the cost of public service delivery.”

4. Opponent Arguments:

According to the County of Los Angeles:

“AB 339 undermines timely service delivery and creates disincentives for finalizing labor agreements. It applies to contracts overlapping with represented job classifications, impacting a vast majority of LA County contracts. It also expands obligations under the Meyers-Milias-Brown Act (MMBA), interfering with longstanding contracting practices and provisions in Memoranda of Understanding (MOUs), ultimately harming public services. The bill’s lack of a clear definition for emergencies weakens emergency contracting authority and creates inefficiencies. In disasters, such as the January wildfires in Los Angeles, AB 339 would delay recovery, increase costs, and worsen community suffering.”

According to the California Association of Nonprofits:

“AB 339 would require nearly every contract proposed by local agencies to be subject to notice and possibly meet-and-confer requirements. This is impractical in execution, and unworkable for ensuring provision of public services, which are often carried out faithfully by nonprofit organizations. Furthermore, there is a lack of clarity about what topics are allowed to be discussed during the ‘demand to meet-and-confer’, such as limiting discussion purely to the RFP language. As written, AB 339 could deter local agencies from working in partnership with local community organizations like nonprofits, who are at the front lines of

providing critical local services, and who are already under attack by the federal government, adding considerable uncertainty to our sector's ongoing financial viability.”

According to a coalition of contracting organization representatives, including the American Council of Engineering Companies:

“AB 339 will significantly delay public works projects and could grind building permit processing, design, and construction of needed housing or infrastructure projects to a halt. Public works projects involve multiple phases of design, which require a diverse array of services – including site assessments, geotechnical services, land surveys, plan check, and traffic studies, to name just a few – that cannot be fully known until earlier phases have [been] completed, making it impossible for agencies to complete all of AB 339's notification pauses at the outset of a project. These notices would therefore be compounded, causing projects to be delayed by multiples of the 60-day pause before a shovel ever touches the ground.”

5. Prior Legislation:

AB 2557 (Ortega, 2024) would have placed requirements on local governmental agencies related to contracting out services, as specified. *This bill died in the Senate Appropriations Committee.*

AB 2561 (McKinnor, Chapter 409, Statutes of 2024) required a public agency to present the status of vacancies and recruitment and retention efforts during a public hearing before the governing board at least once per fiscal year and entitles the union for a bargaining unit to make a presentation at the public hearing, as specified.

AB 2489 (Ward, 2024) would have required a local government that wants to contract for special services or temporary help already performed by union employees to notify, in writing, the exclusive representative of the workforce, at least 10 months before beginning a procurement process to contract for special services that are currently, or were in the previous 10 years, performed by employees of the county, any county officer or department, or any district court in the county represented by an employee organization, of its determination to begin that process. *This bill died in the Assembly Appropriations Committee.*

AB 1250 (Jones-Sawyer, 2017) would have prohibited a county from contracting for personal services currently or customarily performed by that county's employees unless it made specified findings. *The Senate Rules Committee held this bill in committee.*

SUPPORT

Service Employees International Union, California (Co-sponsor)
American Federation of State, County and Municipal Employees (Co-sponsor)
California Federation of Labor Unions (Co-sponsor)
California Nurses Association
California Professional Firefighters
California Safety and Legislative Board, Smart – Transportation Division
California School Employees Association

California Teachers Association
Center for Biological Diversity
Central Coast Alliance United for a Sustainable Economy
Courage California
Echo Park United Methodist Church
Equal Rights Advocates
Greenpeace USA
IATSE Local 33
LA Plaza United Methodist Church
Los Angeles Alliance for a New Economy
Los Angeles Black Worker Center
Lutheran Office of Public Policy - California
National Union of Healthcare Workers
Peace Officers Research Association of California
Professional Engineers in California Government
Public Advocates INC.
Santa Barbara County Action Network
Tech Equity Action
UAW Region 6
Union of American Physicians and Dentists
Urban Habitat

OPPOSITION

Abrazar, INC.
Advocate Association of California Water Agencies
American Council of Engineering Companies
American Institute of Architects California
American Society of Civil Engineers, Region 9
American Staffing Association
Aresis Ensemble (City Garage Theatre)
Association of California Healthcare Districts
Association of California Water Agencies
Association of Community Human Service Agencies
Bay Area Air Quality Management District
Bay Area Bioscience Education Community
Building a Generation
C&A: Social Impact Consulting
Cal Chamber
California & Nevada Civil Engineers and Land Surveyors Association
California Alliance of Child and Family Services
California Animal Welfare Association
California Association for Local Economic Development
California Association of Nonprofits
California Association of Public Hospitals & Health Systems
California Association of Recreation & Park Districts
California Association of Sanitation Agencies
California Behavioral Health Association
California Building Officials
California Chapters of the American Public Works Association
California Contract Cities Association

California Geotechnical Engineers Association
California Landscape Contractors Association
California Parks & Recreation Society
California Special Districts Association
California Staffing Professionals
California State Association of Counties
California State Sheriffs' Association
California Transit Association
California-Nevada Section, American Water Works Association
Ceres Community Project
Children's Institute
City of Bakersfield
City of Barstow
City of Beaumont
City of Chino Hills
City of Colton
City of Eureka
City of Fortuna
City of Foster City
City of Inglewood
City of Kerman
City of La Habra
City of La Verne
City of Lakeport
City of Lincoln
City of Livermore
City of Lomita
City of Los Banos
City of Madera
City of Manteca
City of Martinez
City of Montclair
City of Newport Beach
City of Norwalk
City of Pittsburg
City of Redwood City
City of Simi Valley
City of Upland
City of Vernon
City of Vista
City of Waterford
City of Whittier
Coastal Nonprofit Consulting
Collective Resilience
Community Bridges
Contra Costa Water District
County Health Executives Association of California
County of Butte
County of Contra Costa
County of Fresno

County of Humboldt
County of Kern
County of Kings
County of Lake
County of Los Angeles
County of Mendocino
County of Merced
County of Nevada
County of Orange
County of Placer
County of Riverside
County of Sacramento
County of San Benito
County of San Bernardino
County of San Joaquin
County of San Mateo
County of Santa Clara
County of Santa Clara Office of the County Counsel
County of Siskiyou
County of Sutter
County of Tulare
County of Ventura
Creative Alternatives
DUC Learning Center
Elsinore Valley Municipal Water District
Family Service Association
Helix Water District
Immigrant Legal Defense
Jewish Family Service of San Diego
Jurupa Community Services District
Kidstream Children's Museum
League of California Cities
Mend-Meet Each Need With Dignity
Mountain Homeless Coalition
Office of Samoan Affairs
Open Heart Kitchen
Orange County Business Council
Orange County Sanitation District
Oxnard Performing Arts Center Corporation
PATH
Peninsula Family Service
Public Risk Innovation, Solutions, and Management
Queen of Hearts Therapeutic Riding Center, INC.
Raíces Y Cariño
Richmond Community Foundation
Rural County Representatives of California
SACRA/PROFANA
San Diego Humane Society
San Francisco Study Center
Silicon Valley Council of Nonprofits

South San Joaquin Irrigation District
The Aresis Ensemble INC.
The Can Man
The Nonprofit Partnership
Town of Apple Valley
Town of Truckee
Transportation California
Tree People
Turning Point
Turning Point Community Programs
Urban Counties of California
VistAbility
Waymakers

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