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

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<b>Bill No:</b>	AB 339	<b>Hearing Date:</b>	July 9, 2025
<b>Author:</b>	Ortega		
<b>Version:</b>	June 18, 2025		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	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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