

UCAN

United Chamber Advocacy Network

*El Dorado County Joint Chamber Commission; Elk Grove Chamber Commerce; Folsom Chamber of Commerce;
Rancho Cordova Chamber of Commerce; Roseville Area Chamber of Commerce*

Where You Can Make a Difference for Business in California!

April 12, 2018

Hon. Tony Thurmond
Chair, Assembly Committee on Labor and Employment
Legislative Office Building
1020 N Street, Room 115
Sacramento, CA 95814

Re: AB 1902 (Levine) re: Personal Service Contracts – OPPOSE

Dear Chair Thurmond:

On behalf of the chambers of commerce that comprise the United Chamber Advocacy Network (UCAN) and their nearly 4800 combined members, I am writing to express our opposition to Assembly Bill 1902 (Levine) which proposes to require firms that contract to provide services to the state of California to pay an undefined minimum wage to their employees.

In a recent joint membership survey, the UCAN chambers asked “what is the top issue impacting your business’ bottom line?” It was no surprise that burdensome governmental regulations was the top response of members, followed by taxes, HR policy and the state’s overall business climate.

This legislation, which proposes to establish an artificial, arbitrary and ill-defined minimum wage requirement will further diminish California’s economic competitiveness, adversely impacting California’s business climate.

Moreover, such a requirement will invariably increase the cost of state government operations and the cost to state taxpayers. Not only will the cost of the contracts increase because of mandated higher wages but fewer businesses will compete for available service contracts. Limited competition almost always leads to higher costs.

Such a policy, while ostensibly intended to benefit workers, will in fact harm them. Those businesses that do choose to bid on state contracts that do require higher wages will likely seek to fulfill the requirements of the contract but with fewer workers.

Rather than placing increasing requirements on contractors and squeezing them out, the state would be better served to seek the highest quality service at the lowest cost – which is how we all seek to manage our own businesses and our own households.

For these reasons and more, we respectfully urge your “NO” vote on AB 1902.


Dave Butler
Advocate

United Chamber Advocacy Network

cc. Assemblymember Marc Levine
Members, Assembly Committee on Labor and Employment
Assemblymembers Ken Cooley, Frank Bigelow, Jim Cooper, Kevin Kiley

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