CITY OF RIO DELL CALIFORNA

Rio Dell City Hall 675 Wildwood Avenue Rio Dell, CA 95562 (707) 764-3532 cityofriodell.ca.gov

September 17, 2024

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Authorize the Mayor to Sign a Letter to the Governor Requesting a Veto of AB 2561

## IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the Mayor to sign the attached letter.

### BACKGROUND AND DISCUSSION

At the Request of the League of California Cities, it is recommended that the Council authorize the Mayor to sign the attached veto request for AB 2561.

## AB 2561 (McKinnor) Local Public Employees: Vacant Positions.

This measure would require all local agencies to hold an annual public hearing on the status of vacancies before their governing board at least once per fiscal year.

Attachments:

Draft Letter CalCities Material

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September 17, 2024

The Honorable Gavin Newsom Governor, State of California 1021 O Street, Suite 9000 Sacramento, CA 95814

## RE: <u>AB 2561 (McKinnor) Local public employees: vacant positions.</u> Request for VETO (As Amended 08/23/2024)

Dear Governor Newsom,

The City of Rio Dell, respectfully requests a **veto** on 2561 (McKinnor), which would require all local agencies to hold a public hearing on the status of vacancies before their governing board at least once per fiscal year. This will inherently create an expensive reimbursable state mandate, adding needless pressure on the state budget at a time of significant budget challenges. Based on conservative estimate of costs, AB 2561 will result in annual reimbursable costs of up to \$13.5 million, or more - not including the additional reporting costs imposed upon agencies with bargaining units that experience vacancy rates exceeding 20%.

The City of Rio Dell, agrees with the author - the status quo is not sustainable. However, the measure does not address the root causes of low labor force participation rates in California across all sectors. Instead, the measure would create additional layers of bureaucracy that distract from meaningful efforts to recruit and retain the public sector workforce.

### Labor Force Participation Rates and Barriers to Work

Vacancies are unavoidable for both the public and private sectors. A nonexistent vacancy rate for any duration of time is an unreasonable expectation in our modern labor market, particularly for public agencies that lack the financial resources to encourage recruitment and remote work flexibility enjoyed by many employers in the private sector. Public agencies have been frustrated by persistent high vacancy rates in certain fields despite genuine efforts to bolster the public sector workforce. It is an unfortunate reality that many of the contributing factors that affect public sector hiring are forces of the market that are outside of our immediate control. California's growing workforce needs are constrained by the labor supply.

### Local Public Agencies Are Addressing Labor Shortages Directly Every Day

Local government decision makers and public agency department leaders recognize the impact that long-term vacancy rates have, both on current employees and those who receive services from those departments. The City of Rio Dell is also competing with both the private sector and other government agencies to attract new talent.

Despite these efforts, vacancies persist. If the true intent of AB 2561 is to provide a path for public agencies to reduce staff vacancies, diverting staff away from core service delivery and mandating they spend time preparing for public hearings on their vacancy rates will not achieve that goal. Adding another mandate on public agencies will not solve the problem this bill has identified. It is just as likely to create even more burn-out from employees that will be tasked with producing the very report this bill mandates.

#### Cities Are Committed to Partnership to Identify Better Solutions

Local agencies are committed to continuing the work happening now between all levels of government and the workforce to expand pipeline programs, build pathways into public sector jobs, modernize the hiring process, and offer competitive compensation. The City of Rio Dell cannot close its workforce shortages overnight. It will take investment from educational institutions, all levels of government, and the private sector to meet the workforce demands across the country. We must use our limited human resources staff to hire and train employees rather than diverting resources to prepare for unnecessary public hearings that will tell us what we already know.

For these reasons, the City of Rio Dell requests a veto on AB 2561.

Sincerely,

Debra Garnes Mayor City of Rio Dell

cc: The Honorable Tina McKninnor (Via email: (assemblymember.McKinnor@assembly.ca.gov) Sara Sanders, CalCities League of California Cities





# AB 2561 (McKinnor) Local Public Employees: Vacant Positions.

## **OPPOSE**

## ACTION

AB 2561 would require local agencies with bargaining unit vacancy rates exceeding 15% for more than 180 days to promptly meet and confer with the representative of the recognized employee organization within 21 days and hold a public hearing within 90 days, diverting staff away from core service delivery.

AB 2561 has been referred to the Senate Appropriations Committee Suspense File and will be heard on August 15. Voice your opposition to AB 2561 in the following ways:

- 1) If you have a Senator on the Senate Appropriations Committee, **CALL** and request their NO vote on AB 2561.
- 2) All cities should send in a **city letter of opposition** to AB 2561 as soon as possible (sample attached).

SENATE APPROPRIATIONS		
Member	District	Phone
<u>Ashby, Angelique</u>	8	(916) 651-4008
Becker, Josh	13	(916) 651-4013
Bradford, Steven	35	(916) 651-4035
<u>Caballero, Anna</u> (Chair)	14	(916) 651-4014
Jones, Brian (Vice-Chair)	40	(916) 651-4040
<u>Seyarto, Kelly</u>	32	(916) 651-4032
Wahab, Aisha	10	(916) 651-4410

You can find your Legislator's contact information here: <u>https://findyourrep.legislature.ca.gov/</u>

### Background:

Sizable vacancy rates exist in the public sector — for both state and local employers. In fact, the vacancy rate for the state of California has consistently been above 10 percent statewide for the past 20 years.

Local government decision-makers and public agency department heads recognize the impact of long-term vacancy rates on both current employees and those who receive city services. Many specialty positions like planners are experiencing nationwide workforce shortages and a dwindling pipeline for new entrants, driven by both an expansion of services and an aging workforce. To further complicate recruitment, local governments are competing with both the private sector and other government agencies. Local governments are implementing innovative ways to try to boost recruitment and incentivize retention, including sign-on bonuses and housing stipends.

### What does AB 2561 specifically do?

- Requires each public agency exceeding a vacancy rate of 15% for more than 180 days to:
  - Meet and confer with the recognized employee organization within 21 days about strategies to fill the vacancies. Such requests are limited to once per calendar year for each bargaining unit.
  - Hold a public hearing within 90 days about high vacancy rates, any obstacles in the hiring process, and the public agency's strategies to fill vacancies.
- Entitles the employee organization to make a presentation at the public hearing.

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• Specifies that the meet and confer obligation imposed by these provisions are in addition to the meet and confer responsibilities of existing law.

#### **Talking Points:**

- AB 2561 does not address the root causes of low labor force participation rates in California. Instead, the measure will create additional layers of bureaucracy that detract from meaningful efforts to recruit and retain the public sector workforce.
- Local agencies are carrying out initiatives to expand pipeline programs, build pathways into public sector jobs, modernize the hiring process, and offer competitive compensation.
- If the true intent of AB 2561 is to provide a path for public agencies to reduce staff vacancies, diverting staff away from core service delivery and mandating they spend time producing reports on their vacancy rates will not achieve that goal.
- We welcome a partnership on workforce strategies and believe there is a more productive and economical pathway than AB 2561. AB 2561 is the wrong approach.