

March 6, 2024

The Honorable Liz Ortega, Chair  
Assembly Labor and Employment Committee  
1020 N Street, Room 155  
Sacramento, CA 95814

**RE: OPPOSE ACA 14 (Ortega)**

Dear Chair Ortega,

I am writing on behalf of the South Orange County Economic Coalition (SOCEC) Board of Directors to express our strong opposition to ACA 14. The amendment would impose unnecessary obstacles for the Regents of the University of California, creating severe inefficiency, and would impose an undue burden on small businesses, and thus, weakening economic growth and disrupting the quality of life standards that we enjoy in Orange County.

As South Orange County's leading voice of business, the South Orange County Economic Coalition is the driving force advocating for a strong local economy. Our organization covers a region that creates more than \$25 billion in economic activity annually. Therefore, it is our responsibility to advocate on behalf of local businesses for policies that positively impact the market environment in South Orange County and contribute to the prosperity and economic growth of the region.

The University of California contributes to the aforementioned growth and prosperity and serves as a crucial component of South Orange County's economy. It is active in fostering opportunities for small businesses through contracting, which provide a substantial benefit to the economy. The proposed amendments of the measure pertaining to contracting and outsourcing for services threatens these opportunities that UC provides. UC's ability to form contractual relationships with local businesses benefits not just the businesses themselves, but also the millions of employees and consumers that reside in South Orange County.

UC policy maintains that contracting is a measure of last resort, utilizing these practices only to address urgent needs in exigent circumstances in a manner that does not displace UC employees. Throughout the year, representatives of UC have engaged in negotiations in good faith to reach an agreement on legislation that imposes reasonable and equitable restrictions on outsourcing. ACA 14 threatens the progress that has been made thus far and impedes upon the ability of local businesses to engage and form relationships with the University.

Given the high rates of inflation that consumers face and the fact that businesses continue to face the negative effects of pandemic-related closures, this is not a time to obstruct business activity. The proposed constitutional amendment will not effectively serve its intended purpose and contains too many unintended consequences, including making it more difficult for businesses to contribute to South Orange County's economic vibrancy. We strongly urge you to reject this proposal and vote NO on ACA 14.

Thank you for considering our concerns regarding this matter.

Respectfully,



Victoria Hernandez

Executive Director

South Orange County Economic Coalition