



April 3, 2023

Senate President pro Tempore Toni Atkins
1021 O Street, Suite 8518
Sacramento, CA 95814-4900

Dear Senator Toni Atkins,

I am writing today on behalf of the South Orange County Economic Coalition. Having served the region since 1969, many look to us as the premier voice of business in southern Orange County. Our mission is simple: we work diligently to promote a strong economic climate in our communities.

Today, we intend to add our voice to the growing list of organizations and businesses respectfully opposing Senate Bill 525, which would mandate massive wage hikes for an estimated 1.5 million health care facility staff members.

While we understand the intent of this bill is to support and reward health care workers for their essential work, this bill is terribly overbroad and would extend to janitors, food service workers, security guards, and parking valet, who, while important to the operation of health care facilities, are not direct health care workers.

It goes without saying that health care workers are highly valued and deserve fair compensation. As a coalition with several prominent hospitals and health care facilities as active, participating members, we know firsthand how highly valued and pivotal our health care workers are. They deserve, and receive, fair compensation for their work. By implementing this job-killing bill, the government would impose astronomical additional costs on employers, which will result in widespread layoffs, reduced hiring, and/or decreased hours for the very health care workers this bill allegedly aims to protect.

Earlier this year, California's minimum wage was raised from \$15 per hour to \$15.50 per hour—an increase of 50 cents (+3%) per hour. This new proposed \$25 per hour for health care facility

staffers is a massive increase, nearly \$10 (+40%) per hour, above what was just approved two months ago for these very same workers.

Measures far less drastic, in our state and around the nation, have resulted in mass layoffs, increased prices passed off to consumers in the form of inflation and decreased purchasing power, increased competition for entry level jobs with reduced opportunity for upward mobility, etc. Often, businesses go under altogether. Hospitals and health care facilities are, sadly, no exception.

It is notable that this bill does not include a comprehensive (or even basic) fiscal impact analysis to even attempt to answer the question of what economic effect this would have.

Again, we do appreciate the intention of this bill—but to say that it is misguided is a gross understatement. We urge you to oppose this bill and instead focus on other targeted initiatives that support health care workers without imposing undue and unsustainable costs on employers.

Sincerely,

Victoria Hernandez
Executive Director

Brian Mew
Director of Advocacy & Government Relations

Kelley Lee
Chairwoman

Michael Balsamo
Past Chairman

Adam Wood
Advocacy Committee Chair

