



June 7, 2023

TO: Members, Senate Labor, Public Employment and Retirement Committee

SUBJECT: **SCA 7 (UMBERG) EMPLOYMENT: WORKERS' RIGHTS
OPPOSE – AS AMENDED JUNE 6, 2023**

The California Chamber of Commerce and the undersigned organizations write to inform you of our strong opposition to **Senate Constitutional Amendment 7**, an unnecessary, unprecedented proposal to enshrine

special benefits into the State Constitution that will damage government operations and performance, destabilize the California economy, and is rife with unintended consequences.

SCA 7 would add three new substantive provisions to the California Constitution: a right for all “Californians” to join a union and collectively negotiate with employers; a right for all “Californians” to protect their economic well-being and safety at work; and a prohibition on any state statute or local ordinance that interferes with, negates, or diminishes the right of employees to organize and bargain collectively over wages, hours, and employment terms and conditions. Since the judicial canon of construction requires that labor laws be liberally construed in favor of worker protection, **SCA 7** likely would have the following effects:

1. Creates a basis to challenge virtually any state or local government infrastructure, energy, or housing project or procurement proposal. Any statute or ordinance authorizing infrastructure projects, housing projects, or other procurements which do not require union labor, PLAs, or a skilled and trained workforce would be attacked as diminishing the right of employees to organize. Alternatively, because **SCA 7** gives “[a]ll Californians” the right to protect their economic well-being and safety at work, non-union business owners would have standing to challenge infrastructure projects that exclude non-union labor—and union members would have similar standing to litigate any infrastructure projects that don’t guarantee a unionized workforce. Thus, **SCA 7** ensures that virtually all government infrastructure, energy, and housing projects will be slowed down—if not altogether stopped—by litigation among competing interests.
2. Eliminates charter city home rule authority over local wages and employment terms. Charter city home rule authority extends to local employment matters such as wage requirements on city construction projects. Because **SCA 7** is a more recent constitutional measure, it would supersede charter city home rule powers with respect to employment terms and conditions, wages, hours, and the like.
3. Prohibits state and local budget actions that reduce public employment, such as the current budget proposal to shutter several state prisons and facilities within prisons. Elimination of employment positions not only extinguishes affected employees’ economic well-being at work, it obviously eliminates the ability of those workers to organize and bargain collectively. Therefore, state and local government employees would be entitled to lifetime employment, and this would affect any innovative approach to streamlining government, including reimagining the correctional system.
4. Prohibits adoption of state or local laws that reduce private sector employment. Similar to the case for public employees, new laws that eliminate private sector jobs extinguish the affected workers’ economic well-being and safety at work, and completely eliminate their ability to organize and bargain collectively. Such laws would thus be flatly prohibited under **SCA 7**. Because environmental protection laws in particular tend to result in employment disruption, they would be especially difficult to pass post-**SCA 7**. Prior laws like AB 32 (2006, GHG reduction), SB 270 (2014, plastic bag ban), and SB 1137 (2022, limitation on oil and gas drilling) were all acknowledged to reduce employment in the affected sectors and thus would not have been permitted under **SCA 7**. This category of laws is obviously not the only example of state actions that could affect private sector employment levels.
5. Creates several new classes of potential organizing. **SCA 7** extends the right to unionize and collectively bargain to positions currently excluded under the National Labor Relations Act. By extending the right to unionize to all “Californians,” **SCA 7** would extend unionization rights to supervisors and managers, domestic workers, agricultural workers, county jail and state prison inmates, and mental institution patients. In addition, senior government officials who have long been at-will employees due to the nature of their employment could be organized.

This is just an initial survey of the high-level fallout we could expect from the adoption of **SCA 7**. It is likely that dozens or hundreds of proposed statutes would need to be examined for their possible conflict with the far-reaching diktats of **SCA 7**. Indeed, since the measure is retroactive to January 1, 2023, it will likely affect and possibly nullify bills adopted earlier this year, as well as those in the midst of the legislative and budget processes.

California workers already have extensive rights to organize, unionize and collectively bargain for wages, hours, and working conditions under the federal NLRA, and the state ALRA, Rodda Act, Dills Act, Meyers-Milias-Brown Act, Higher Education Employer-Employee Relations Act, and many other public sector and child care worker collective bargaining statutes. The Legislature is currently considering collective bargaining laws for legislative employees and domestic care workers. California laws governing workplace legal, procedural and health and safety protections are pro-employee to a fault. No non-trivial rights or benefits affecting California employees have been rolled-back in living memory. The vanishingly small sliver of public policy on employer-employee relations not already regulated and mandated in California can hardly justify the massive lever of a constitutional amendment.

Sincerely,



Kelly Jensen

Sloat, Higgins, Jensen and Associates, on behalf of California Chamber of Commerce

Agricultural Council of California
Anaheim Chamber of Commerce
Associated Builders and Contractors of California (ABC CA)
Association of General Contractors of California
Association of General Contractors of San Diego
Bay Area Council
BOMA California
Brea Chamber of Commerce
California Association of Health Facilities
California Association of Winegrape Growers
California Building Industry Association
California Business Properties Association (CBPA)
California Business Roundtable
California Chamber of Commerce
California Farm Bureau
California Grocers Association
California League of Food Producers
California Manufacturers & Technology Association
California New Car Dealers Association
California Restaurant Association
California Retailers Association
Chamber of Commerce for Greater Brawley
Chino Valley Chamber of Commerce
Corona Chamber of Commerce
Dana Point Chamber of Commerce
Family Business Association of California
Fontana Chamber of Commerce
Greater Coachella Valley Chamber of Commerce
Greater High Desert Chamber of Commerce
Housing Contractors of California
Institute of Real Estate Management of California (IREM)
La Cañada Flintridge Chamber of Commerce
Lake Elsinore Valley Chamber of Commerce
Long Beach Area Chamber of Commerce
Los Angeles County Business Federation (BizFed)
Mission Viejo Chamber of Commerce
Moreno Valley Chamber of Commerce
Murrieta/Wildomar Chamber of Commerce

NAIOP California
National Federation of Independent Business
Orange County Business Council
Pacific Grove Chamber of Commerce
Palos Verdes Peninsula Chamber of Commerce
Paso Robles Chamber of Commerce
Rancho Cordova Chamber of Commerce
Ridgecrest Chamber of Commerce
Santa Maria Valley Chamber of Commerce
Southwest CA Legislative Council
Templeton Chamber of Commerce
Tri County Chamber Alliance
Walnut Creek Chamber of Commerce
Western Electrical Contractors Association
Western Growers Association
Yorba Linda Chamber of Commerce

cc: Legislative Affairs, Office of the Governor
Zach Keller, Office of Senator Umberg
Glenn Miles, Senate Labor, Public Employment and Retirement Committee
Cory Botts, Senate Republican Caucus
Scott Seekatz, Senate Republican Caucus
Members, California State Assembly
Members, California State Senate