



TESTIMONY BEFORE THE CALIFORNIA STATE SENATE EDUCATION COMMITTEE

Kathryn Lybarger, President of AFSCME Local 3299

Thank you Chairwoman Liu and good morning.

My name is Kathryn Lybarger. I am a Lead Gardener at UC Berkeley and the President of AFSCME Local 3299, the University of California's largest employee union representing more than 23,000 UC Service and Patient Care Technical workers across our state. I am also the President of California Labor Federation, AFL-CIO, which represents more than 2.1 million of California's working families.

I am here to speak in support of SB 959, which addresses some of the most significant social and economic challenges facing our state.

The Bureau of Labor Statistics has reported that the use of "contingent," or "contract" labor to meet permanent staffing needs has grown at nine times the rate of traditional employment since 2009.

Recent research has shown that as a result, a growing number of Californians working in custodial, parking, security, food service and other commonly "contracted out" occupations are living in poverty. Most are immigrants and people of color.

According to research by UC Berkeley's Labor Center, this not only increases reliance on MediCal and Food Stamps, but puts more and more workers at risk of wage theft and other illegal workplace abuses.

And it is happening at the University of California—a public institution that receives more than 3 billion state taxpayer dollars each year.

Over the last year, we have learned that despite enrollment growth in the thousands, and hundreds of new facilities coming online, the number of directly employed UC service workers has actually decreased. Career UC workers are being replaced by long-term contractors that pay their workers as much as 53% less for doing the same jobs. Let me be clear, these private firms are not charging UC 53% less. In fact, in most cases, they are actually charging UC as much as 30% more than it would cost to have their workers directly employed by the university with livable wages and benefits.

But poverty wages are only the tip of the iceberg.

At UC Berkeley alone, three long term contractors have made news this past year over widespread allegations of illegal labor practices. One custodial contractor is under investigation by the US Department of Labor for paying its workers under multiple names to skirt overtime rules. Another, was recently profiled in a PBS documentary entitled "Rape on the Night Shift," and has faced more than 140 adjudicated wage theft claims in California since 2010. And a third, a parking contractor, has faced more than a half dozen wage theft complaints in the past year alone.

SB 959 addresses both problems by requiring UC Contractors to provide their UC assigned employees the same pay as directly employed UC workers performing the same jobs, and by prohibiting the university from awarding lucrative contracts to private firms with a demonstrated history of illegal labor practices.

This legislation also includes a key improvement from last year's version of this bill—SB 376-- which was passed by both houses of the California Legislature.

Specifically, SB 959 delays its effective date until after UC has fully implemented the new minimum wage plan it announced last year. This will substantially reduce any costs associated with SB 959, as well as the incentive for contractors to artificially raise their prices in order to comply with the law. In fact, on the effective date of SB 959, the UC-imposed minimum wage for its subcontracted workers will be nearly 25% higher than it is today, though still substantially less than the base wage for directly employed UC workers doing the same jobs.

Our state's third largest employer, the University of California employs dozens—if not hundreds—of private firms performing long-term service, patient care, and clerical work system-wide. While UC has refused to publicly disclose a list of the names and cost of these contractors, even when requested by the State Legislature, AFSCME has obtained copies of dozens of contracts covering hundreds, if not thousands of workers—many of whom have worked at the university for years. Some, even decades.

The state has an important role to play in setting standards for private contractors that receive tens of millions of dollars from public institutions like UC each year. Especially so, when the research tells us that these contractors are too often profiting by creating more poverty, and violating state labor laws.

Without action by the legislature, UC's growing contingent workforce will be condemned to a life of reliance on public assistance and payday lenders to meet basic needs, high risk of wage theft, and permanent second class status at a public institution that professes principles like “equality” and “social mobility” as central tenets of its mission.

By guaranteeing contingent workers equal pay for equal work, SB 959 will lift hundreds, if not thousands, of families out of poverty. It will prohibit UC from spending public dollars on private employers that violate state labor laws. Most importantly, by affirming the principle of social mobility at the heart of UC's mission, it will prevent our first class public university from ever treating thousands of its mostly immigrant and minority workers as second class again.

I urge your Aye vote.