



UPDATED FLOOR ALERT

May 21, 2019

TO: Members, California State Assembly

SUBJECT: **“NO” on AB 1066 (GONZALEZ) re: UNEMPLOYMENT DURING LABOR STRIKES
THIRD READING
OPPOSE/JOB KILLER - AS AMENDED APRIL 30, 2019**

The California Chamber of Commerce and the organizations listed below (Coalition) are **OPPOSED** to **AB 1066 (Gonzalez)** as a **JOB KILLER** because it will profoundly change unemployment insurance in California and create long-term costs for both the states' unemployment insurance fund and businesses. In brief, the Coalition is opposed because:

- 1) **AB 1066 will provide unemployment benefits to striking workers even though they are not looking for work and have a job waiting for them once the labor dispute is resolved.** This is a sharp departure from more than 70 years of precedent in California, wherein unemployment insurance (UI) was a compromise – employers were incentivized not to terminate without cause, and employees were compelled to be looking for work.
- 2) **AB 1066 politicizes unemployment benefits.** Whereas unemployment had previously been neutral in labor disputes, **AB 1066** will penalize employers for strikes, regardless of the facts of the labor dispute.

- 3) **AB 1066 would create additional solvency issues for California's UI system.** After 2008, California's UI fund became insolvent and was forced to take out federal loans. Those loans added costs in the hundreds of millions of dollars to the general fund, per year, and were only repaid in 2018. By potentially adding entire unions to unemployment, **AB 1066** will push California's UI fund toward insolvency once again.
- 4) **AB 1066 will burden even non-striking workplaces.** Because **AB 1066** burdens the entire UI fund, even workplaces which do not strike will be forced to pay increased UI premiums, increasing costs for even model employers.

For these reasons, we **OPPOSE AB 1066** as a **JOB KILLER**.

Sincerely,



Robert Moutrie, Policy Advocate
California Chamber of Commerce

Associated General Contractors
Building Owners and Managers Association
California Association of Realtors
California Association of Sheet Metal and Air Conditioning Contractors National Association
California Attractions and Parks Association
California Building Industry Association
California Business Properties Association
California Farm Bureau Federation
California Grocers Association
California Hospital Association
California League of Food Producers
California Manufacturers & Technology Association
California Professional Association of Specialty Contractors
California Trucking Association
Camarillo Chamber of Commerce
Commercial Real Estate Development Association
Dana Point Chamber of Commerce
El Centro Chamber of Commerce
El Dorado County Chamber of Commerce
Flasher Barricade Association
Fresno Chamber of Commerce
Greater Bakersfield Chamber of Commerce
Greater Irvine Chamber of Commerce
Hesperia Chamber of Commerce
International Council of Shopping Centers
Lodi District Chamber of Commerce
National Federation of Independent Business
North Orange County Chamber
Oceanside Chamber of Commerce
Official Police Garages of Los Angeles
Orange County Business Council
Rancho Cordova Chamber of Commerce
Rancho Cucamonga Chamber of Commerce
San Gabriel Valley Economic Partnership
Simi Valley Chamber of Commerce
Victor Valley Chamber of Commerce

cc: Legislative Affairs, Office of the Governor
Shubhangi Domokos, Office of Assembly Member Gonzalez
Paul Riches, Assembly Committee on Insurance
Bill Lewis, Assembly Republican Caucus