



OFFICE OF THE GOVERNOR

OCT 13 2013

To the Members of the California State Assembly:

I am returning Assembly Bill 1140 without my signature.

This measure requires contractors on public works projects to increase workers' pay any time the state updates its prevailing wage rates. This is intended to address the circumstance where a non-union contractor is not required to adjust wages mid-project but a union contractor is subject to such adjustments pursuant to a collective bargaining agreement.

In most cases, projects are bid, awarded and completed in a relatively short period of time and this measure would have little, if any impact. Larger, long term projects are the more likely setting for the union/non-union wage differential this bill seeks to address.

Unfortunately, introducing such wage adjustments as proposed by this measure is likely to lead to uncertainty in the cost of public works projects and increase costs ultimately borne by the taxpayers.

Finally, many collective bargaining agreements already address this limited circumstance by allowing wage rates to remain at the level determined by the state at the time of the bid, award or start of the contract. Given this, I do not find a statutory change warranted to address the issue raised by this measure.

Sincerely,

A handwritten signature in black ink that reads "Edmund G. Brown Jr." with a stylized flourish at the end.

Edmund G. Brown Jr.