



September 21, 2023

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

SUBJECT: SB 525 (Durazo) – Request for Signature

Dear Governor Newsom:

On behalf of more than 400 hospitals and health systems, the millions of patients they serve, and the hundreds of thousands of people they employ, I am writing to ask you to sign SB 525, which raises the minimum wage for health care workers.

SB 525 is landmark legislation for workers and their families. This agreement between workers and employers **delivers important wage increases and greater financial security for our lowest wage workers**. California's health care workers, two-thirds of whom are people of color, are the backbone of the system. The wage increases as structured in SB 525 will provide workers with a greater ability to keep pace with a higher cost of living, including rising housing and food costs.

Equally as important, SB 525 provides health care employers with the essential time needed to plan and budget for these increases. The ramp-up included in SB 525 protects jobs and access to care by helping keep services and health care facilities open and available. **The alternative is costly, inequitable, and threatens access to health care.**

Without your signature, a set of local \$25 minimum wage initiatives will appear on the ballot in March — measures in Los Angeles, Long Beach, San Diego, and Chula Vista would continue to move forward, resulting in a patchwork of wage increases without SB 525's thoughtful balance between better wages and preserving access to care. Further, SB 525 prevents other elements of these local initiatives that overreach into a hospital's operational decisions, such as matters related to health care personnel and compensation for health care leaders.

SB 525 specifically creates minimum wage scales that consider the size, location, and financial health of providers. For larger employers, the pay scale will start at \$23. For rural hospitals and those that serve a high number of patients supported by government programs, it will start at \$18. For providers in between, the scale starts at \$21. This tailored scale ensures wages continue to rise with the cost of living

while considering health care providers' financial circumstances and the desire to keep health care jobs in our communities.

SB 525 provides a common-sense step-up in minimum wages that enables health care providers to pay these increases while helping prevent closures or reductions in services. SB 525 accomplishes something truly historic: bringing together health care workers and employers to create a minimum wage that supports these hard-working California families while protecting and preserving access to care for all.

Therefore, CHA strongly urges your signature on SB 525.

Sincerely,



Carmela Coyle
President & CEO

cc Mary Hernandez, Legislative Secretary, Office of the Governor
The Honorable Maria Elena Durazo
Speaker of the Assembly Robert Rivas
Senate President pro Tempore Toni Atkins