



CALIFORNIA

PRIVATE EQUITY
RISK SCORE

47 /100



MEDIUM RISK

KEY TAKEAWAYS:

- California is among the 10 states with the largest share of its private sector workforce employed by private equity-controlled companies.
- California is among the top 10 states for the number of layoffs at private equity-controlled companies as a share of the state's total private sector workforce.
- California is among the 10 states with the highest number of employee deaths or hospitalizations at private-equity-controlled employers as a share of its total private sector workforce.

Higher Score = Greater Risk
Risk score from 0 to 100

PRIVATE EQUITY RISK

Workers and Jobs	100/100
Share of private sector workforce at private equity-controlled companies (Average 2018-2022)	9.3%
Change in the share of workforce controlled by private equity from 2018 to 2022	26.0%
Layoffs at private equity-controlled companies (2015-2022)	55,201
Employee deaths and hospitalizations at private equity-controlled companies (2018-2022)	424
Health Care	56/100
Share of hospitals that are private equity-controlled	2.4%
Average Medicare patient survey rating of private equity-controlled acute care hospitals (1 = lowest, 5 = highest)	1.6
Rate of readmission after discharge from private equity-controlled acute care hospitals	15.1%
Share of nursing homes that are private equity-controlled	2.0%
Average Medicare quality rating of private equity-controlled nursing homes (1 = lowest, 5 = highest)	3.3
Substantiated complaints per private equity-controlled nursing home (2019-2022)	15.0
Share of population in a metro area where a single private equity firm controls over 30% market share of one or more physician specialties	2.6%
Housing	60/100
Percentage of homes purchased by medium, large and mega investors (2018-2022)	11.1%
Change in share of homes purchased by medium, large and mega investors from 2018 to 2022	37.7%
Public Pensions	0/100
Share of state pension assets invested in private equity	13.0%
Share of state pension assets covered by private equity fee disclosure (including carried interest)	100.0%
Share of state pension assets covered by responsible contractor policy	89.6%





STATE POLICY SOLUTIONS TO ADDRESS PRIVATE EQUITY RISKS

Workers and Jobs	Adopted?
<p>Severance for mass layoffs: For mass layoffs, require 90 days advance notice and require employers to pay one week of severance pay for each year of employment</p>	
<p>Bonding for unemployment insurance: Require private equity-controlled companies with high debt ratios to post a bond to the unemployment insurance system to cover unemployment insurance taxes in the event of a bankruptcy</p>	
Health Care	Adopted?
<p>Review of health care mergers: Require notice, public review or approval process for hospital and other health care mergers</p>	✓
<p>Medical debt collection: Regulate medical debt collection</p>	
<p>Nursing home staffing: Require specific percentage of Medicaid or overall revenues in nursing homes to be spent on staffing costs for patient care</p>	✓
<p>Hospital fees: Limit hospital facilities fees</p>	
Housing	Adopted?
<p>Good cause evictions: Prohibit evictions of tenants for reasons other than specified causes, such as non-payment of rent</p>	✓
<p>Rental cost caps: Cap annual rent increases statewide at inflation plus a small percentage or allow local jurisdictions to cap rent increases</p>	✓
<p>Tenants' right to purchase: Give tenants of mobile home parks and multi-family housing advance notice of sales and first right of refusal to purchase</p>	
<p>Landlord registry: Create a mandatory registry to identify beneficial ownership of all corporate landlords with multiple holdings</p>	
State Pension Funds	Adopted?
<p>Fee disclosure: Require disclosure of all fees paid to each private equity fund by state pension funds</p>	✓
<p>Compliance with all state laws: Require signed affirmation from private equity fund managers that all of their portfolio companies comply with state labor laws, environmental laws and health codes</p>	

