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June 28, 2017

Honorable Mike McGuire
Chair, Senate Governance and Finance Committee
State Capitol, Room 5061
Sacramento, California 95814

AB 1250 (Jones-Sawyer) – SUPPORT

Dear Senator McGuire:

The California Association of Professional Employees urges your “aye” vote on AB 1250 (Jones-Sawyer) when it is before the Senate Governance and Finance Committee.

AB 1250 is a common sense measure to ensure counties adhere to due diligence standards when opting to outsource public services. AB 1250 would allow counties to outsource personal services currently or customarily performed by their employees if certain good government standards are met, such as:

- ✓ A fair cost analysis
- ✓ Proven savings for taxpayers
- ✓ Competitive bidding
- ✓ Disclosures on the part of the contractor
- ✓ No displacement of employees
- ✓ Performance and financial audits
- ✓ Ensuring that prospective contractors are qualified and don't engage in discriminatory practices.

AB 1250 does include eleven (11) exceptions to its requirements to address issues, such as, among others: emergencies, services that are temporary or occasional, or services that are highly technical or specialized which cannot be obtained from the county's own workforce.

In recent years, counties have sought to outsource critical public services under the guise of saving money. There have been many well-documented instances of how short-sighted decisions to outsource have had negative impacts on taxpayers. Cheaper services and employee layoffs may appear to save dollars in the short term but the savings are often illusory with hidden costs that are not accounted for, diminished services or contractor failures that ultimately require cities and counties to re-hire and re-train staff to ultimately provide the outsourced service.

Since 1913, California has had long-standing public policies to ensure public services are delivered through a well-trained and qualified workforce to ensure consistent quality of services to the public. AB 1250 simply continues this policy and ensures counties operate in the best interest of the public.

In many sectors of government, California requires due diligence standards be satisfied prior to outsourcing public services. For example, the government code requires state agencies to show how outsourcing will achieve savings, will not cause the displacement of civil service employees and that contracts are awarded through a publicized, competitive bidding process. The government code also requires when library services are outsourced that performance and financial audits be conducted before renewing contracts and limits contracts to 5 year terms.

However, counties are currently exempt from these types of accountability measures. Given the scarcity of tax dollars and the right of the public to demand and receive quality public services, counties should be held to meaningful standards of due diligence.

The purpose of this bill is not to infringe upon the discretion of counties. Rather, it is to ensure counties meet common-sense standards when they decide to outsource services to ensure tax dollars are accounted for and well spent to ensure quality services.

The ultimate consumer of any government service is the taxpayer and in the case of outsourcing, the taxpayer is the third party so government must stand for the interests of the consumer by ensuring that public dollars are meaningfully and efficiently used.

Again, we respectfully request your "aye" vote on this very important bill. Thank you for your consideration of our position.

Very Truly Yours,



Timothy H. B. Yaryan
Legislative Counsel and Advocate

cc: Members, Senate Governance and Finance Committee
Colin Grinnell, Staff Director
Honorable Reggie Jones-Sawyer, Member, CA State Assembly
Blaine Meek, CAPE General Counsel
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