



September 7, 2017

The Honorable Kevin De León
Senate President pro Tempore
State Capitol, Room 205
Sacramento, CA 95814

**RE: Assembly Bill 1250 (Jones-Sawyer) – OPPOSE
As Amended September 5, 2017**

Dear President pro Tempore De León:

The Rural County Representatives of California (RCRC) and Urban Counties of California (UCC) respectfully continue our opposition to Assembly Bill 1250 (Jones-Sawyer) as amended September 5, 2017. The recent amendments do not meaningfully address the principal concerns outlined in our August 9th letter to the Senate Appropriations Committee. AB 1250 would still inhibit counties from contracting with nonprofits and others to provide critical services to the neediest residents. The often prohibitive requirement to conduct an expensive, time-consuming, and flawed cost-benefit analysis for nearly every single contract remains in place.

AB 1250, as amended, will have particularly severe effects on the most vulnerable residents in both urban and rural counties. Restricting counties from partnering with nonprofit and private service providers will make it more difficult - and often infeasible - to provide comprehensive services to these communities in areas ranging from public and mental health to criminal justice and public safety. Further, many counties have developed cooperative partnerships with nonprofits and service providers, under which the county-contracted services are supported and supplemented by the organization's other programs. AB 1250 would remove this critical linkage and support, thereby further harming the state's neediest residents.

AB 1250 continues to cover renewals, extensions, and modifications of existing contracts. The September 5th amendments remove Subdivision (g), which referenced both renewals and new contracts. However, Subdivision (a) continues to cover all personal services contracts. Nothing in AB 1250 exempts renewals, extensions, or modifications of existing contracts after the bill's effective date. Further, even if such an exclusion had been included, it would be impracticable to implement, as ongoing contracts are routinely updated or modified based on evolving needs, and there could be no certainty regarding whether and when such revisions triggered the requirements of this legislation.

Likewise, although the mandatory reporting of complaints, charges, and *executive* compensation have been removed, the provisions requiring ongoing public disclosure of

individual *rank-and-file* private employees' names and wages remain in the bill – triggering privacy concerns and imposing chilling effects on those that provide these needed services.

The supposed exclusion of contracts paid for entirely with locally-raised county funds is similarly insubstantial. County contracts – particularly those with nonprofits and private providers for health and human services provided to vulnerable populations – virtually all receive some funding from other sources (such as State Realignment monies or federal dollars).

Other targeted exclusions affect only a select few contracts in chosen counties, such as the Santa Clara health system exclusion, the narrow exclusion for an area agency on aging providing IHSS services, and the ambiguously drafted exclusion for “highly specialized data, software or services” related to public works projects. These unfortunately do little if anything to relieve the strain on safety net services throughout California.

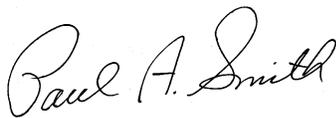
Removal of the audit provisions does not reduce the substantial upfront costs of the cost-benefit analysis required before nearly any contract is signed. Since county contracts – particularly for safety net services dependent on annual state/federal funding – are usually of short duration (1-3 years), these “upfront” costs will effectively be ongoing and permanent.

The 2011 Realignment boilerplate language (similar to that reflected in numerous other statutes) is merely a technical correction to the state mandate language. It does not represent any change in the actual law, or its effect on counties. This boilerplate does not exempt contracts for realigned services from the requirements of AB 1250.

In closing, we must stress the very dangerous reality AB 1250 sets forth for counties and the very dangerous precedent it establishes for other public agencies. AB 1250 will not improve services, reduce costs, or protect employees. Counties are not exaggerating when they say services will decrease or simply get eliminated, either where AB 1250 would be directly applied or in other program areas so that critical local programs and the most basic county administrative functions may continue.

We are unaware of a specific, current problem that AB 1250 would resolve or prevent. We are very much aware, however, of the very real harm AB 1250 would cause the residents of California. For the aforementioned reasons, we remain opposed AB 1250. If you should have any questions regarding our position, please contact Jolena Voorhis with UCC at (916) 327-7531 or Paul A. Smith with RCRC at (916) 447-4806.

Sincerely,



PAUL A. SMITH
Senior Legislative Advocate
RCRC



JOLENA L. VOORHIS
Executive Director
UCC

cc: Members of the Senate Rules Committee
The Honorable Reginald Jones-Sawyer, Member of the State Assembly