



COUNTY OF LOS ANGELES

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August 21, 2017

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The Honorable Ricardo Lara, Chair
Senate Appropriations Committee
State Capitol, Room 5050
Sacramento, California 95814

**RE: AB 1250 (Jones-Sawyer), As Amended June 21, 2017 – OPPOSE
Relating to Counties: Contracts for Personal Services
Hearing Set August 21, 2017, in the Senate Appropriations Committee**

Dear Senator Lara:

The Los Angeles County Board of Supervisors opposes AB 1250 (Jones-Sawyer).

Current law authorizes county boards of supervisors to contract for special services on behalf of the county. Contracts are limited to specially trained, experienced persons who are experts and competent to perform prescribed special services. Additionally, Proposition A of 1978 permits contract outsourcing for services with the private sector, under specific circumstances, when doing so is more economical.

AB 1250 would mandate additional requirements for counties' use of personal services contracts that would apply to all new, renewed and extended personal services contracts effective, January 1, 2018. It also would mandate inclusion of material breach termination clauses and would require that contractors pay wages at industry level. The measure also would impose additional disclosure requirements for contracts exceeding \$100,000 annually; information that counties would be required to track and to disclose under the California Public Records Act.

Given the vague and ambiguous language in AB 1250, the aggregate fiscal impact to the County is unknown, but would be significant. During FY 2015-16, the County expended approximately 7 percent of the County's total budget on contracted services. While the County strives to have services performed by County staff, there are times when the work is more appropriately done by community-based organizations throughout the County.

The County believes that AB 1250 violates the California Constitution by violating the "home rule" provisions of Article XI, Section 4 of the California Constitution. That section gives charter counties the exclusive power to determine the compensation and working conditions for persons involved in internal county operations. Long-established law is clear that charter counties, not the State, have ultimate authority over the terms, conditions, and compensation for persons who work for the county, i.e., perform the county's "core operations." *Dimon v. County of Los Angeles*, 166 Cal.App.4th 1276, 1281-1286 (2008). AB 1250 directly targets the County's hiring and assignment of workers. It contravenes existing county ordinances, and is clearly intended to limit the county's ability to hire, pay and assign workers in the manner most efficient and effective for the county and its residents.

AB 1250 would have a significant impact on Los Angeles County's ability to contract out for services, especially in the areas of health, mental health, children's services, public works services, and criminal justice programs. For example, hundreds of mental health services contracts would be subject to the provisions of AB 1250 which would hamper the County's network of Mental Health Providers; potentially leaving thousands of clients in need of mental health treatment without access to care. Criminal justice programs also would be affected, including anti-gang services, Community Delinquency Prevention Services, drug testing services and gang intervention. There are an estimated 35,000 foster children who are under Los Angeles County's care. Services for this vulnerable population would be affected because the County would no longer be allowed to contract with providers who deliver critical services to these children.

Los Angeles County's efforts to combat homelessness also would be affected. The County's homeless population continues to rise with the last count at over 57,000 individuals, up from 47,000 in 2016. Under AB 1250, Los Angeles County would lose the ability to implement innovative and creative solutions to serve this hard to reach population, including homeless veterans and families with children. The County would be forced to terminate contracts with well-established, community-based homeless services providers who help navigate the complex system to access Social Security Insurance benefits and veterans' disability benefits for disabled adults who are homeless or who are at-risk of homelessness.

The County's Department of Public Works contracts with a wide variety of vendors that provide key services to County residents, including tire recycling services, emergency debris removal, wireless communication services, beach bus services, and water conservation programs. These contracts would no longer be permissible under AB 1250, and it would be extremely difficult for County employees to backfill such services and programs.

AB 1250 would cripple the County's ability to contract for essential services and would burden counties and providers with onerous audit and disclosure requirements. Los Angeles County also would lose valued community-based partnerships and would have no choice but to eliminate service delivery options. The County would be forced to change longstanding contracting processes across all 38 County departments and retrain or reassign thousands of County employees.

Innovation and flexibility in delivery of services must be preserved. Therefore, we strongly urge your "NO" vote on AB 1250. Please contact us at (916) 441-7888 if you have any questions.

Sincerely,



Phyllis Marshall
Chief Legislative Representative



Martha Guerrero
Legislative Representative

c: Assembly Member Reggie Jones-Sawyer
Each Member and Consultant,
Senate Appropriations Committee