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June 27, 2017

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Honorable Mike McGuire
Chair, Senate Governance and Finance Committee
State Capitol Building, Room 408
Sacramento, CA 95814

Re: Assembly Bill 1250 (Jones-Sawyer). Counties: Contracts for personal services.

OPPOSE – As amended May 30, 2017

Dear Senator McGuire:

On behalf of the county of the County of Lassen, we are writing to you to respectfully request your formal opposition to AB 1250 (Jones-Sawyer).

AB1250 will add burdensome restrictions and new bureaucratic requirements on Lassen County and will interfere with and perhaps prohibit the County's ability to deliver essential public services.

With your invaluable and hands-on experience as a locally elected county official, we know you are very knowledgeable about how this bill will interfere with a county's capacity to contract with licensed experts, nonprofit community based organizations, microenterprises, and local firms.

For example, our county must contract with a number of service providers who provide specialized public health and social services for children, families, and adults because we do not have either the expertise or the economy of scale or resources to provide those services in the most effective manner to those clients in our rural county. AB1250 affected contracted services will not only interfere with providing those essential services from medical and social services providers but also will delay and interfere with our ability to deliver public safety and public works contracting for emergency and environmental work.

We respectfully request your formal opposition to AB1250.

Sincerely,

Aaron Albaugh, Chairman
Lassen County Board of Supervisors

cc: Honorable Members, Senate Governance and Finance Committee
Assemblyman Brian Dahle
Senator Ted Gaines
Rural County Representatives of California (RCRC)
California State Association of Counties (CSAC)



AB 1250 Is An Attack on Services for the Most Vulnerable

Assembly Bill 1250 (Jones-Sawyer) would impose a de facto prohibition on counties' ability to contract with nonprofits, licensed experts and community businesses to deliver vital local services. AB 1250 is a transparent political power grab that will jeopardize local services for California's most vulnerable people and increase costs for taxpayers.

Prohibition of contracting for county services will jeopardize health care, social services, mental health and public safety services for our most vulnerable.

AB 1250 imposes significant new restrictions and layers of bureaucracy designed to stop counties from contracting with nonprofits, licensed professionals and other providers for local services. Restricting counties' ability to contract for the expertise and the most efficient delivery of services would result in decreased quality and access to services or even the elimination of some services for our most vulnerable, such as:

- Safe havens and counseling for children who are victims of sex trafficking
- Counseling and support for victims of domestic violence
- Medical care and case management for children with special health care needs
- 9-1-1 and emergency dispatch
- Homeless outreach and case management emergency shelters, warming and cooling shelters
- Foster care and adoption services
- Behavioral health services
- Timely emergency and disaster response
- Medical care at county safety-net hospitals and clinics
- Job-training and employment support for the unemployed
- Immigration legal support services
- Health care, jobtraining and rehabilitation for county inmates and probation
- Private ambulance services
- Sober living and rehabilitation services

AB 1250 Will Increase Costs for Taxpayers and Reduce Funding for Local Services.

Restricting counties' ability to provide services in the most cost-effective manner will increase costs for taxpayers and reduce funding available for other local services. AB 1250 also imposes significant new bureaucratic requirements on contractors and counties, which will further divert resources away from the delivery of vital local services.

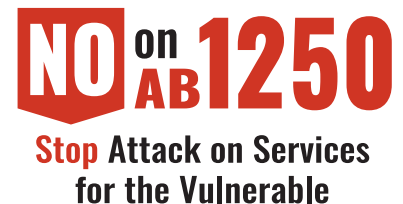
AB 1250 is a Transparent Political Power Play... at the Expense of our Most Vulnerable.

There is no legitimate policy problem that AB 1250 seeks to address. This is a pure political power play at the expense of vital services for our most vulnerable. For instance, AB 1250 requires that private nonprofits and businesses publicly release the names, information and salary data of all private employees providing contracting services (raising significant privacy concerns). Furthermore, the bill now only applies to counties – other local governments were amended out to secure passage in the Assembly. It's clear AB 1250 is about brazen politics at the expense of good policy and services for our most vulnerable.

**Stop the Attack on Services For Our MostVulnerable Residents.
Reject AB 1250.**

MYTHS and FACTS

About the De Facto Ban on Contracting



MYTH: *AB 1250 will result in better services.*

FACT: **AB 1250 will result in a depletion or even elimination of vital services, particularly those for the underserved.** Counties need the ability to enter into contracts so they can provide critical services in the most effective manner for their communities, as often they do not have the internal expert staff or resources. In many cases, these contracts are with nonprofit community based organizations who are integrated into the local community and best able to provide these services.

MYTH: *AB 1250 will not impact contracts that counties currently have for services.*

FACT: **AB 1250 does impact current contracts.** Any contract that is renewed or extended after January 1, 2018, is subject to a performance audit annually to provide a cost benefit analysis. The contract cannot be renewed or extended until the audit is completed and reviewed.

MYTH: *AB 1250 does not prevent or prohibit contracting for services.*

FACT: **Proponents of AB 1250 have intentionally put significant new restrictions on contracting and added a host of bureaucratic requirements that would prohibit local contracting.** For instance, AB 1250:

- Requires the county to clearly demonstrate that the proposed contract will result in actual overall cost savings to the county for the duration of the entire contract as compared with the county's actual costs of providing the same services.
- Prohibits contracts from being approved solely on the basis that savings will result from lower contractor pay rates or benefits, regardless of whether the contractor can do the same or better service at lower rates.
- Requires contractors to disclose the total compensation provided to certain officers, directors, executives or employees, raising significant privacy concerns.
- AB 1250 requires contractors to disclose extensive information on a monthly basis including: the names of subcontractors; the names and hourly rates of the employees of the contractor and any subcontractors; the names of any workers providing services pursuant to the contract as independent contractors and the compensation rates for those workers; directors; executives; or employees of a company – again, raising privacy concerns.
- Requires an audit of all contractors, including nonprofits and private businesses, makes the contractor pay for the audit, but prohibits the contractor from factoring the costs of the audit into the contract costs with the county.
- AB 1250's ambiguous terms, such as 'currently of customarily' create a litigation risk to counties from any party that is dissatisfied with a contract. Even the included exemptions could create litigation if there is any question as to whether it applies in a particular circumstance.

MYTHS and FACTS

Continued

MYTH:

AB 1250 is a narrowly crafted bill.

FACT:

AB 1250 affected contracts include health care, social services, mental health and public safety services. Impacted area examples include:

- Safe havens and counseling for children who are victims of sex trafficking
- Counseling and support for victims of domestic violence
- Medical care and case management for children with special health care needs
- 9-1-1 and emergency dispatch
- Sober living and rehabilitation services
- Homeless outreach and case management emergency shelters, warming and cooling shelters
- Foster care and adoption services
- Behavioral health services
- Cultural competency services
- HIV counselors and outreach
- Timely emergency and disaster response
- Animal care services
- Medical care at county safety-net hospitals and clinics
- Job-training and employment support for the unemployed
- Immigration legal support services
- Health care, job training and rehabilitation for county inmates and probation
- Private ambulance services

MYTH:

AB 1250 is about transparency.

FACT:

AB 1250 raises huge privacy issues by requiring contractors to disclose the total compensation provided to certain officers, directors, executives or employees. This represents a major concern for the privacy of private employees, especially those who work in the public safety and technology fields.

MYTH:

AB 1250 does not impact SB 1 transportation projects.

FACT:

AB 1250 does impact SB 1 transportation projects. Transportation projects will be impacted and possibly delayed. There is a broad exemption for “public works” but this fails to consider other demands for contracted services related to SB 1 transportation projects. For example, private land acquisition of right-of-ways often relies on contracted consultants and appraisers.

MYTH:

AB 1250 does not impact public works and environmental services.

FACT:

There is general exemption for “environmental services” when it is in connection to project development or permit processing. However, **this exemption does not broadly cover all types of environmental review work or the breadth of activities that are often included in environmental consultant contracts.** It also does not contemplate other environmental impact report (EIR) consulting needs, such as for general plan updates.

MYTH:

AB 1250 does not impact emergency services.

FACT:

AB 1250 does impact emergency services. The exemption for emergencies only provides for a 90-day contract during any single peak load, temporary absence, or emergency situation, or for a temporary appointment. Emergency medical services (EMS) and ambulance transport are subject to AB 1250.



**Stop Attack on Services
for the Vulnerable**

We Oppose AB 1250

(6/20/17)

Health and Human Services

County Behavioral Health Directors
Association of California

County Health Executives Association of
California

County Welfare Directors Association of
California

Contra Costa Health Services

County of Glenn Health & Human Services
Agency

Kern County Behavioral Health & Recovery
Services

Trinity County Health and Human Services

Children and Youth

California Alliance of Child and Family
Services

United Advocates for Children and Families

Uplift Family Services

Nonprofit Organizations

Centro La Familia Advocacy Services

Fresno County Economic Development
Corporation

Reading and Beyond

Technology

Computing Technology Industry Association
(CompTIA)

Information Technology Alliance for Public
Sector (ITAPS)

Transportation & Logistics

California Trucking Association

Emergency and Public Safety

EMS Medical Directors' Association of
California, Inc. (EMDAC)

San Joaquin County EMS Agency

Local Government

California State Association of Counties

California Association of Joint Powers
Authorities (CAJPA)

California Association for Local Economic
Development (CALED)

Rural County Representatives of California

Urban Counties of California

Alameda County Board of Supervisors

Amador County Board of Supervisors

Butte County Board of Supervisors

Contra Costa County Board of Supervisors

Fresno County Board of Supervisors

Humboldt County Board of Supervisors

Imperial County Board of Supervisors

Kern County Board of Supervisors

Los Angeles County Board of Supervisors

Madera County Board of Supervisors

Marin County Board of Supervisors

Mariposa County Board of Supervisors

Mendocino County Board of Supervisors

Modoc County Board of Supervisors

Nevada County Board of Supervisors

Orange County Board of Supervisors

Placer County Board of Supervisors

Riverside County Board of Supervisors

Local Government (continued)

Sacramento County Board of Supervisors
San Bernardino County Board of Supervisors
San Diego County Board of Supervisors
San Joaquin County Board of Supervisors
San Luis Obispo County Board of Supervisors
Santa Barbara County Board of Supervisors
Santa Cruz County Board of Supervisors
Shasta County Board of Supervisors
Sonoma County Board of Supervisors
Stanislaus County Board of Supervisors
Tehama County Board of Supervisors
Tulare County Board of Supervisors
Ventura County Board of Supervisors
Yolo County Board of Supervisors
Yuba County Board of Supervisors

Business (continued)

National Federation of Independent Business (NFIB)
Orange County Business Council
The Silicon Valley Organization
Valley Industry & Commerce Association (VICA)

Business

American Staffing Association
Associated Builders and Contractors, Inc. – Central Valley Chapter
Associated Builders and Contractors, Inc. - Northern California Chapter
Associated Builders and Contractors, Inc. – San Diego California Chapter
Associated Builders and Contractors, Inc. - Southern California Chapter
California Business Properties Association
California Manufacturers & Technology Association (CMTA)
Camarillo Chamber of Commerce
Carpenter/Robbins Commercial Real Estate, Inc.
Fresno Area Chamber of Commerce
Greater Riverside Chambers of Commerce
Library System Services, LLC
Los Angeles Area Chamber of Commerce
Los Angeles County Business Federation (LA BizFed)