



ASIAN PACIFIC POLICY & PLANNING COUNCIL

September 6, 2017

The Honorable Kevin De Leon
Chair, Senate Rules Committee
State Capitol
Sacramento, CA 95814

RE: Assembly Bill 1250 (Jones-Sawyer). Counties: Contracts for personal services. As amended on September 5, 2017: OPPOSE

Dear Chair De Leon,

On behalf of Asian Pacific Policy and Planning Council (A3PCON), I am writing to express our opposition to AB 1250 and to ask that you hold the bill in Senate Rules Committee. Nonprofits like A3PCON remain alarmed at the provisions in AB 1250. There is widespread concern that the bill will reduce services to vulnerable members of communities while also adversely impacting the nonprofits providing those services through contracts with counties.

Founded in 1976, A3PCON is a coalition of over forty Asian Pacific Islander (API) community-based organizations that advocates for the rights and needs of the API community in the greater Los Angeles area, with a particular focus on low-income, immigrant, refugee and other vulnerable populations. A3PCON's member organizations, all of whom are nonprofits, reflect the tremendous diversity within the API community and have direct links into communities stretched across Los Angeles County.

AB 1250's requirements are extremely onerous, adding many restrictions and raising costs without boosting real accountability. AB 1250 will drive up unfunded overhead and compliance costs and includes disclosure requirements that could be in violation of HIPAA and other privacy laws and conflicts with other state and federal laws. And while the most recent amendments eliminate the costly and cumbersome audit requirements, the bill's remaining provisions continue to apply to all contracts with nonprofits for "personal services currently or customarily performed" by county employees, require cost savings to be "clearly justified," and mandates that cost comparisons exclude overhead from county costs.

An array of state statutes and federal laws already set limits on how counties can contract with outside service providers. We are very concerned that passage of AB 1250 will result in a halt on nonprofit contracting – a prospect the counties are saying unequivocally will occur – or else be so delayed that they cause serious adversity to the low-income and marginalized Californians nonprofits serve.

We are concerned about some misconceptions that understate the negative impact of

AB 1250. Contrary to what has sometimes been stated, AB 1250 would apply not only to new contracts, but also to existing contracts when they come up for renewal. Some proponents claim that AB 1250's provisions are included in California State Government Code 19130, and this simply reinforces those codes, but in fact AB 1250 contains numerous provisions that go much further than the state requires.


There are important reasons that counties turn to nonprofits to partner with them on delivery of critical services such as health and human services, animal welfare, juvenile justice, domestic violence, immigration matters and more. Nonprofits have a long and proven track record of providing quality, cost-effective, linguistically appropriate, and culturally competent services that are geographically located in the heart of rural and urban communities. In fact, as noted in CalNonprofits' seminal report, *Causes Count: The Economic Power of California's Nonprofit Sector*, over 80 percent of Californians have confidence that nonprofits act in the public's interest and deliver quality services, operate efficiently and spend money wisely.

AB 1250 could not have come at a worse time. Communities are particularly fearful of government contact right now. Nonprofits have built trusted relationships in those communities, making this an especially bad time to end contracting with nonprofits.

Many of us are allies with labor on opposing the privatization of government jobs (and many other issues of common cause, such as the successful campaign to raise the minimum wage). But AB 1250 distorts how decisions should be made about providing critical services for our communities. A county's decision to allocate funds for services is complex, and includes technical expertise, experience, efficiency, cultural and linguistic competency, and geography. At the core of county agency and board of supervisor decisions is a commitment to community.

Because of the harm that would result, putting into disarray the system of providing crucial services to millions of Californians, we urge you to hold AB 1250 in Senate Rules Committee.

Sincerely,



Manjusha P. Kulkarni, Esq.
Executive Director