



August 9, 2017

The Honorable Ricardo Lara  
Chair  
Senate Appropriations Committee  
State Capitol  
Sacramento, CA 95814

**RE: Assembly Bill 1250 (Jones-Sawyer). Counties: Contracts for personal services. As amended on June 21, 2017: OPPOSE**

Dear Senator Lara,

As leaders of the nonprofit community in California, we write to express our opposition to AB 1250.

Nonprofits across the state are alarmed at the provisions in AB 1250. There is widespread concern that the bill will reduce services to vulnerable members of communities while adversely impacting the nonprofits providing those services through contracts with counties. We have combed through the bill to look for ways to amend it so that it is workable across the spectrum of different nonprofit services and counties, but frankly so many of the provisions are confusing, vague and unfeasible that it has proven impossible to craft amendments that will solve the problems with the bill. We have met several times with the bill's proponents to share these concerns in detail and to request that the nonprofit sector be exempted. That request has been rejected.

AB 1250's requirements are far too onerous, adding many restrictions and raising costs without boosting real accountability. Just to give a few examples, AB 1250 will drive up unfunded overhead and compliance costs by requiring complicated audits, to be paid for by nonprofit contractors, and the disclosure requirements could be in violation of HIPAA and other privacy laws and conflicts with other state and federal laws.

An array of state statutes and federal laws already set limits on how counties can contract with outside service providers. Also disturbing is the likelihood that contracts will come to a halt altogether, a prospect the counties are saying unequivocally will occur, or 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 be proffered at a worse time. Communities are particularly fearful right now and people are shying away from government contact. Nonprofits have built trusted relationships in those communities, making this an especially bad time to end contracting with nonprofits. Additionally, with a federal administration that has suggested significant cuts, the simple truth is California's nonprofits, especially those serving our underserved communities through health and social services, are under particular threat of federal destabilization.

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 vote no on AB 1250.

Sincerely,

Jan Masaoka  
CEO  
California Association of Nonprofits

Bob Lanter  
Executive Director  
California Workforce Association

Peter Manzo  
President & CEO  
United Ways of California

Salena Copeland  
Executive Director  
Legal Aid Association of California

Patricia Jones  
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Kristina Solberg  
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California Coalition Against Sexual Assault

Sue Sigler  
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California Association of Food Banks

Krista Niemczyk  
Public Policy Manager  
California Partnership to End Domestic Violence

cc: Assemblymember Reginald Jones-Sawyer  
Assemblymember Lorena Gonzalez  
Members of the Senate Appropriations committee  
Governor Edmund G. Brown, Jr.

Senate President Pro Tem Kevin De Leon

Assembly Speaker Anthony Rendon

Senator Mike McGuire, Chair, Senate Governance and Finance committee

Monique Limon, Chair, Assembly Select Committee on the Nonprofit Sector