

COMMENTARY

AB 1250: Negative Consequences for Taxpayers



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Haney Hong

Counties across California depend on private organizations to efficiently meet a wide array of community needs. Nonprofits, community-based organizations and other private service providers bring the expertise and specialization required to maximize taxpayer resources and enhance county services.

In San Diego, for example, outside contractors provide important housing and support

resources for homeless populations, services that would be difficult or inefficient to provide internally. The contracting process isn't perfect, but if Sacramento has its say, this cost-saving process could become increasingly ineffective.

Assembly Bill 1250 has already passed through the state Assembly and is currently making its way through the Senate. Proponents assert this bill will improve the county contracting process by adding a layer of new regulations similar to those that govern the state's contracting process.

Services Will Diminish

These mandates, however, will have two negative consequences for taxpayers: The quality of many county services will diminish and the price of county contracts will increase.

This bill puts forth significant new requirements for assessing contractor

process will become increasingly costly to taxpayers and potentially prohibitive for important service providers.

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Disincentive to Bid

Perhaps most importantly, AB 1250 makes contractor's private information, including financials and proprietary data, accessible by public records requests. Competition for bids is ultimately what improves the quality of contracted services and keeps costs less burdensome for taxpayers. Firms may recognize this requirement puts their private information in easy reach for their competition and avoid bidding altogether. The risky mandates of AB 1250 could diminish the scope of services provided by counties or subsequently increase the price of their contracts.

Counties rely on contractors to provide diverse and necessary services while keeping costs down. Taxpayers deserve a serious accounting of the services they fund, and that's why in the near future the Taxpayers Association is going to start reviewing public performance by private contractors. We know the contracting process can always be improved.

That said, imposing these regulatory inefficiencies on contracting will not make it better or cheaper. By its own admission, the current draft of AB 1250 applies a state level solution to county problems; this is why 47 of California's 58 counties have already opposed this legislation. They know that if this law passes their hands will be tied and the quality of their services diminished at a higher cost to taxpayers.

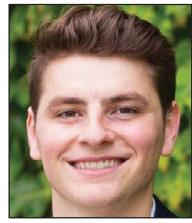
Haney Hong is president and CEO of the San Diego County Taxpayers Association. Cameron Gyorffy is a Policy Analyst the San Diego County Taxpayers Association.

Goal is Service, Not Jobs

It should be the goal of counties to provide low-cost, high-quality services to their communities as efficiently and effectively as possible — conversely, it should not be the goal to protect county jobs for protection sake.

Additionally, the provisions to ensure private service providers are actually creating savings sounds good in principle, but the vagueness of these requirements will inherently lead to problems. AB 1250 mandates that counties be able to justify the size and duration of contracts based on savings for the county, without outlining a process by which to do so. Many counties have already cautioned that the scale of reporting requirements proposed in this bill would put a strain on already scarce resources, especially for those counties that contract out higher portions of their services.

Such requirements will unavoidably slow down the process and also impose costs on organizations that receive these contracts. As a result, the contracting



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Cameron Gyorffy

BUSINESS CALENDAR | Upcoming events

Management Essentials Course Starts

Organization: SDEA
When: 9 a.m.-noon, Sept. 12,19, 26
Where: SDEA, 8799 Balboa Ave., Suite 270, San Diego

QuickBooks Basic Part 1

Organization: SCORE
When: 9 a.m. - 12 p.m., Sept. 12
Where: United States University, 7675 Mission Valley Road, San Diego

Starting a Restaurant

Organization: SCORE
When: 9 a.m. - 12 p.m., Sept. 13
Where: 4760 Clairemont Mesa Blvd., San Diego

Business Networking Mixer

Organization: 6 Degrees Business Networking
When: 5-7:30 p.m., Sept. 13
Where: Omni Hotel 675 L St., San Diego

Harassment Prevention

Organization: SDEA
When: 9 a.m.-11 a.m., Sept. 13
Where: 8799 Balboa Ave. Suite 270, San Diego

Thought Leadership Series: Cybersecurity

Organization: Biocom
When: 7-9 a.m., Sept. 14
Where: The Alexandria, 10996 Torreyana Road, San Diego

Best Places to Work

Organization: San Diego Business Journal
When: 11 a.m.-2 p.m., Sept. 14
Where: Paradise Point Resort & Spa, Sunset Pavilion, 1404 Vacation Road, San Diego

Green Accounting — Renewable Energy

Organization: IMA
When: 5:30-8:30 p.m., Sept. 14
Where: Sheraton La Jolla, 3299 Holiday Court, La Jolla

South County Economic Development Council — Economic Summit

Organization: SCEDC
When: 8:30 a.m.-2 p.m., Sept. 15
Where: San Diego Convention Center, Room 24 ABC (second floor) 111 W. Harbor Drive, San Diego

We See the People, Not the Cars — Brian Gansert, President of Operations, Ace Parking

Organization: Business Executives Council
When: 5-8 p.m., Sept. 14
Where: La Jolla Marriott, 4240 La Jolla Village Drive, La Jolla

Black Tie Car Show Gala

Organization: Santee Chamber of Commerce
When: 9:30 a.m. registration, 6-11 p.m., Sept. 16
Where: High Performance Aircraft at Gillespie Field, 1960 Joe Crosson Drive, El Cajon

Fundamentals of HR

Organization: SDEA
When: 9 a.m. - 4 p.m., Sept. 19
Where: SDEA, 8799 Balboa Ave. Suite 270, San Diego

To submit an event for possible inclusion, email the following information to Steve Adamek at sadamek@sdbj.com: name, time and location of event; event host, event speaker(s) and/or description of event.

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