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EDITORIAL: SENATE SHOULD KILL EFFORT TO PAD GOVERNMENT PAYROLLS

By San Francisco Chronicle Editorial Board

Before counties hire private contractors to provide public services, Democrats in Sacramento want them to meet a few conditions, including:

- Avoid replacing any existing or potential public employees.
- Ensure their compensation will be roughly equivalent to government pay and benefits.
- Show that any savings to taxpayers aren't "outweighed by the public's interest" in employing more government workers.
- Prove that they will produce "actual overall cost savings ... for the duration of the entire contract," not counting government overhead and regardless of future cost fluctuations.
- And, for jobs worth more than \$100,000 in a year, compel them to divulge all claims and complaints against them for the past decade, disclose salaries and benefits of top executives and rank-and-file employees, provide the names of all involved workers and subcontractors, and submit to and pay for a performance audit.

All of which is a long way of saying that the legislators who voted for Assembly Bill 1250, and the unions backing it, don't really want counties to hire private contractors. Introduced by Assemblyman Reginald Jones-Sawyer, D-Los Angeles, passed by the Assembly largely along party lines, and scheduled for state Senate consideration next week, the legislation might as well be called the "Government Payroll Protection Act."

Amendments excluding cities from the bill (including San Francisco, the state's only consolidated city and county) helped get it through the Assembly, which is further than it should have gone. The bill's requirements are numerous and onerous enough to discourage companies and nonprofits from attempting any work that could conceivably be assigned to public employees. A legislative analysis found that compliance would probably cost local governments tens of millions of dollars.

Most of the standards in the bill echo existing California laws affecting state agencies, school districts and libraries. By collecting them all in one measure, however, it would impose a unique burden on counties and their contractors, from nonprofits providing social services for the homeless and mentally ill to companies handling food service and information technology. "Almost every possible service could be affected," said Dorothy Johnson, legislative representative for the California State Association of Counties. "It creates a set of requirements unlike any other for a state or local agency."

Granted, as the bill's supporters point out, private contractors don't always deliver public services more effectively or efficiently than government employees, and some core government functions simply shouldn't be outsourced. Christopher Calhoun, a spokesman for the Service Employees International Union, said privatization carries inherent risks and fewer rewards than generally expected. "It's going to affect a lot of contracts," he said of the bill, "in that they will be held to a higher standard."

Government contracts certainly should be awarded with care, which is why they are subject to transparency, bidding and other standards. But handcuffing local officials and micromanaging government operations won't serve the public interest so much as the special interests behind this bill.