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OPINION: Here's Who Gets Hurt By Costly Union Bill

By Daniel Borenstein, columnist and editorial writer for the Bay Area News Group

Daniel Yapo, 47, is bipolar, a recovering methamphetamine addict and an ex-con who served three years in state prison for a drug offense.

A decade ago he was living out of the back of a moving truck. Today he has an apartment in Oakland, sees his psychiatrist weekly and a social worker more frequently, and has been clean for four years.

He's a success story, the beneficiary of housing and support programs provided by Abode Services. If not for the non-profit agency, Yapo says, "I think I would be out on the streets."

Abode, which receives funding from four Bay Area counties, is one of thousands of private and non-profit firms across the state threatened by a sweeping labor bill that would hamstring the ability of county governments to contract for services.

The scope is breathtaking. We're talking about services for homeless and mentally ill people, elder abuse and domestic violence victims, cancer patients and drug addicts. The bill would also affect agencies helping troubled youth, reducing criminal recidivism and providing meals and food for the poor and elderly.

Beyond health and social services, the bill would hinder counties' ability to contract with private firms for critical operational services such as financial, planning and environmental consultants, outside legal advisers and private ambulance providers.

With the Legislature one week from its fall recess, lawmakers must choose between unions seeking an even bigger cut of severely strained county budgets and the ability of those counties to function efficiently and serve the most needy.

The bill, AB 1250, sponsored by the Service Employees International Union, epitomizes the greed of California's public employee labor groups and their tight grip on the state Legislature.

It also ignores that most counties cannot afford to hire more employees with their costly pension and other benefits. The counties are already billions of dollars in debt for the shortfalls in their retirement programs.

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Moreover, the private sector often provides services more cost-effectively, and contract labor can more easily be increased and reduced to meet demand. And non-profits in particular can often leverage private donations to provide more services for the needy than a government agency could.

Assemblyman Reginald Byron Jones-Sawyer, D-Los Angeles, a former local vice president for SEIU, introduced the legislation. Assemblyman Rob Bonta, D-Alameda, co-authored it even though 54 of the state's 58 counties, including his own, oppose the legislation.

The bill would purportedly require counties to analyze contracts to determine if the services could be more cost-effectively provided by government workers.

But the rules in the bill for making the cost comparison tilt the scales in favor of hiring more county workers. "The required contract cost analysis places private contractors at a disadvantage," according to the state Department of Finance.

As a result, the bill makes it "likely counties will incur added costs to hire new staff to perform services that would otherwise be more cost-effective and practical to contract out."

The bill is also laden with ambiguous language certain to invite litigation, according to the Department of Finance and a separate legal review for the counties. The threat of lawsuits would further inhibit the ability of counties to hire outside contractors.

Instead, counties would be forced to hire more employees. "Just about everything the county does would

be affected,” says Lara DeLaney, senior deputy county administrator for Contra Costa. “This would put us into a financial catastrophe.”

Meanwhile successful private programs like Abode Services could be endangered. Abode receives \$34 million, about two-thirds of its funding, from four county governments — Santa Clara, Alameda, San Mateo and Napa.

The agency has about 300 employees and serves about 5,700 people annually, providing housing, rent subsidies, mental health services, job training and other social services.

Under the latest version of AB 1250, its funding from Santa Clara, currently about \$16 million annually, would likely be protected because that county and San Francisco have special exemptions not granted to the other 56 counties.

But the future of Abode’s funding from the other three counties would be jeopardized. That would likely mean curtailing services there. It’s hard to fathom the counties stepping in and providing the services as efficiently.

State lawmakers will have to decide between the unions and people like Daniel Yapo, who have shelter each night because of private agencies that deliver critical county services.