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July 3, 2017

The Honorable Mike McGuire  
Chair, Senate Governance and Finance Committee  
State Capitol, Room 408  
Sacramento, CA 95814

**Re: AB 1250**

Dear Chairperson McGuire:

Santa Clara County has a strong legacy of supporting our employees and the provision of robust public services by County staff. The County reaffirms its longstanding commitment to oppose contracting out of public services or displacement of our employees. Nevertheless, we have significant and serious concerns about AB 1250. Unless significantly amended, we will be recommending to our Board of Supervisors that it oppose AB 1250 at the first available opportunity when the Board returns from its recess in August.

AB 1250 would undermine and likely mortally wound the last public, county-run hospitals in California. These health and hospital systems are already facing severe threats at the federal level. Santa Clara County's unique health and hospital system would be devastated, gravely threatening the health and wellbeing of our community.

By imposing onerous and severe restrictions on contracting for services that are "currently or customarily performed" by a county's employees, AB 1250 creates a perverse and absurd result: Those handful of counties, like ours, that have public hospitals and operate their own clinics could not contract with nonprofit or private healthcare providers without meeting the strict and unrealistic conditions of the bill. On the other hand, the dozens of counties that do *not* operate such public systems would not face any of these requirements because they do not employ personnel in these areas. The likely ultimate end result is that vibrant and successful public health networks would no longer be tenable.

Similarly, our systems of care in social services, criminal justice, mental health, and other vital safety-net services depend on close partnerships between our own County-run services and private and nonprofit providers. Contrary to the bill's criteria, these partnerships are *not* about

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“cost savings,” but rather systems of care and service provision. Because the County operates similar programs itself, all these contracts would be subject to AB 1250. These partnerships would be fundamentally jeopardized.

AB 1250’s other provisions, including its carve-outs, are vague and poorly defined. They fail to account for unique and different conditions in counties across the state and lack a grounding in the realities of operating counties, which are orders of magnitude more complex than the cities that have now been excluded from the bill’s reach.

We respectfully urge your careful and thoughtful consideration of the devastating effects this bill would have on the community and the unique harms it would pose to those counties, like Santa Clara, that have a legacy of robust systems of expansive public services.

Sincerely yours,



Jeffrey V. Smith, M.D., J.D.  
County Executive



James R. Williams  
County Counsel

C: Members, Senate Governance and Finance Committee  
Assembly Member Reginald Byron Jones-Sawyer, Sr.  
Santa Clara County Legislative Delegation  
Santa Clara County Board of Supervisors  
Michael Rattigan, Legislative Representative