

AMENDED IN ASSEMBLY MARCH 13, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**House Resolution**

**No. 29**

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**Introduced by Assembly Member Gomez**

February 4, 2014

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House Resolution No. 29—Relative to outsourcing public services.

1 WHEREAS, Public services and assets are the fabric that binds  
2 our communities together. They are also a ladder to the middle  
3 class; and

4 WHEREAS, Faced with severe budget problems in the wake  
5 of the Great Recession, state and local governments across America  
6 are handing over control of public services and assets to  
7 corporations that promise to operate them better, faster, and  
8 cheaper; and

9 WHEREAS, Outsourcing these services and assets often fails  
10 to keep these promises, and too often it undermines transparency,  
11 accountability, and shared prosperity and competition - the  
12 underpinnings of democracy itself; and

13 WHEREAS, Outsourcing means that taxpayers have less say  
14 over how future tax dollars are spent and have no ability to vote  
15 out executives who make decisions that could harm the public  
16 interest; and

17 WHEREAS, Outsourcing means taxpayers are often  
18 contractually limited to a single for-profit corporation; and

19 WHEREAS, Outsourcing frequently means that wages and  
20 benefits for public service workers fall and the local economy  
21 suffers while corporate profits rise. ~~The American Federation of~~  
22 ~~State, County and Municipal Employees (AFSCME) The Center~~

1 *for American Progress Action Fund* has found that of the 5.4  
 2 million people working for federal service contractors in 2008, an  
 3 estimated 80 percent earned below the living wage for their city  
 4 or region. For-profit corporations are three times more likely than  
 5 the public sector to employ workers at poverty-threshold wages;  
 6 and two million private sector employees working for federal  
 7 contractors earn less than \$12 an hour - too little to support a  
 8 family. That is more low wage workers than are employed by  
 9 McDonald’s and WalMart combined; and

10 WHEREAS, Outsourcing means that taxpayers often no longer  
 11 know how their tax dollars are being spent. Meetings and records  
 12 that used to be open to the public can become proprietary  
 13 information when corporations take over; and

14 WHEREAS, The Taxpayer Empowerment Agenda is one model  
 15 that may help ensure transparency, accountability, shared  
 16 prosperity, and competition in the operation of public services and  
 17 assets; and

18 WHEREAS, Planks in the Taxpayer Empowerment Agenda  
 19 would require governments to post information about their  
 20 contracts online and require contractors to open their books to the  
 21 public, ensure that governments have the capacity to adequately  
 22 oversee contracts, to cancel contracts that fail to deliver on their  
 23 promises, prohibit law breaking companies from getting  
 24 government contracts, require contractors to pay their employees  
 25 living wages and benefits, require competitive bidding on contracts  
 26 that guarantee company profits at the expense of taxpayers, ~~and~~  
 27 ~~give public service works the opportunity to develop their own~~  
 28 ~~plan on how to deliver cost-effective, high-quality services; and~~

29 WHEREAS, Recent polling shows that taxpayers oppose the  
 30 outsourcing of public services and assets to for-profit companies  
 31 and support these common sense controls to ensure that their  
 32 interests are protected; now, therefore, be it

33 *Resolved by the Assembly of the State of California,* That the  
 34 Assembly opposes outsourcing of public services and assets, which  
 35 harms transparency, accountability, shared prosperity, and  
 36 competition, and supports processes that give public service ~~works~~  
 37 *workers* the opportunity to develop their own plan on how to  
 38 deliver cost-effective, high-quality services; and be it further

1     *Resolved*, That the Assembly urges local officials to become  
2 familiar with the provisions of the Taxpayer Empowerment  
3 Agenda; and be it further

4     *Resolved*, That the Assembly intends to introduce and advocate  
5 for responsible outsourcing legislation.; *and be it further*

6     *Resolved*, That the Chief Clerk of the Assembly transmit copies  
7 of this resolution to the author for appropriate distribution.

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