

AMENDED IN ASSEMBLY APRIL 3, 2014

AMENDED IN ASSEMBLY MARCH 13, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

House Resolution

No. 29

Introduced by Assembly Member Gomez

(Coauthors: Assembly Members Alejo, Ammiano, Atkins, Bloom, Bocanegra, Bonilla, Bonta, Bradford, Buchanan, Campos, Chau, Chesbro, Dababneh, Dickinson, Fong, Frazier, Gatto, Gonzalez, Hall, Roger Hernández, Holden, Jones-Sawyer, Lowenthal, Nazarian, Pan, John A. Pérez, Quirk, Rendon, Ridley-Thomas, Rodriguez, Skinner, Stone, Ting, Weber, Wieckowski, Williams, and Yamada)

February 4, 2014

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

1 out executives who make decisions that could harm the public
2 interest; and

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

5 WHEREAS, Outsourcing frequently means that wages and
6 benefits for public service workers fall and the local economy
7 suffers while corporate profits rise. The Center for American
8 Progress Action Fund has found that of the 5.4 million people
9 working for federal service contractors in 2008, an estimated 80
10 percent earned below the living wage for their city or region.
11 For-profit corporations are three times more likely than the public
12 sector to employ workers at poverty-threshold wages; and two
13 million private sector employees working for federal contractors
14 earn less than \$12 an hour - too little to support a family. That is
15 more low wage workers than are employed by McDonald's and
16 WalMart combined; and

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

21 WHEREAS, The Taxpayer Empowerment Agenda is one model
22 that may help ensure transparency, accountability, shared
23 prosperity, and competition in the operation of public services and
24 assets; and

25 WHEREAS, Planks in the Taxpayer Empowerment Agenda
26 would require governments to post information about their
27 contracts online and require contractors to open their books to the
28 public, ensure that governments have the capacity to adequately
29 oversee contracts, to cancel contracts that fail to deliver on their
30 promises, prohibit law breaking companies from getting
31 government contracts, require contractors to pay their employees
32 living wages and benefits, require competitive bidding on contracts
33 that guarantee company profits at the expense of taxpayers; and

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

38 *Resolved by the Assembly of the State of California, That the*
39 *Assembly opposes outsourcing of public services and assets, which*
40 *harms transparency, accountability, shared prosperity, and*

1 competition, and supports processes that give public service
2 workers the opportunity to develop their own plan on how to
3 deliver cost-effective, high-quality services; and be it further

4 *Resolved*, That the Assembly urges local officials to become
5 familiar with the provisions of the Taxpayer Empowerment
6 Agenda; and be it further

7 *Resolved*, That the Assembly intends to introduce and advocate
8 for responsible outsourcing legislation; and be it further

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

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