

New law closes outsourcing loophole

Gov. signs bill forcing departments to end outsourcing contracts after SPB rulings

Gov. Jerry Brown has signed into law a Local 1000-sponsored bill that will force state agencies to drop private contracts that are found to be illegal or improperly wasteful and instead use state employees for that work.

The governor signed AB 740 (Blumenfeld) which requires state agencies to immediately discontinue any private vendor contract that is found to be illegal by the State Personnel Board (SPB) and prohibit that agency from entering into another contract for the same or similar services.

“This legislation puts teeth into SPB rulings in which contracts have been found to be illegal because state workers can do the same work at a lower cost,” said Yvonne R. Walker, SEIU Local 1000 president. “For years we have successfully challenged state contracts only to see departments drag their feet in implementing changes. This legislation is a huge step forward.”

Local 1000 has won more than 80 percent of our SPB challenges of outsourcing contracts, disapproving more than 120 deals with private vendors for work that can be done by state employees. A Local 1000 task force is examining contracts in the 10 state departments with the largest portion of the estimated \$11.8 billion in private vendor contracts.



Margarita Maldonado shown here testifying at an outsourcing hearing

Audit backs new law

The legislation follows up on a key recommendation by the state auditor's office which found in its 2009 investigation that state departments often ignored SPB rulings or delayed implementation.

“There are many examples to show why we need this legislation to force compliance with SPB rulings,” said Margarita Maldonado, Local 1000 vice president for bargaining.

Transparency order

Meanwhile, the governor vetoed legislation – AB 172 – that would increase government transparency in the contracting process, but issued an executive order that accomplishes the legislation's goal by requiring every department “provide as much information as possible on a website maintained by DGS.

“We will continue to be a watchdog on the issue of transparency in state contracts,” Walker said. “This is about how public dollars are spent.”

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—Yvonne R. Walker,
President, SEIU Local 1000

In 2009, Local 1000 successfully challenged a food services contract at two veterans homes in Southern California and in March 2010 our victory was upheld by the full SPB board. The state delayed implementation which led Local 1000 to file a new SPB challenge in May. The state finally began employing state workers in those positions this month.

Go to seiu1000.org for information on how the governor's action on other bills supported by SEIU and organized labor.

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'99%' campaign draws Local 1000 members

Occupy Wall Street & labor both fight for middle class jobs

Thousands of SEIU members across the nation have joined the Occupy movement directed toward reducing economic inequality while focusing on empowering the "99%" of Americans hurt by current economic policies.

The Occupy Wall Street movement has come to symbolize the anger and frustration felt by the American people. Within weeks hundreds of solidarity occupations have spread throughout the country, including nearly 40 in California.

The richest get richer

Consider these facts: Since 1981, after-tax income has tripled for the wealthiest 1 percent of Americans, while most Americans have struggled to keep up with the inflation rate. The wealthiest 1 percent have a greater

percentage of annual income now that any time since the 1920s. The gains for middle class families after World War II are being erased. The recession never ended for most Americans: according to U.S. Census researchers, median household income has fallen twice as much since the recession ended in June 2009 as it did during the two-year recession.

"This is a referendum for our nation," said Local 1000 President Yvonne R. Walker. "Working families need to fight for change in government policy now and in the 2012 elections. Whether by joining Occupy demonstrations or taking other individual actions, people are starting to fight back."

Members join protests

"We can't sit on the sidelines anymore," said Theresa Taylor, a principle compliance representative at the Franchise Tax Board, at an Occupy Sacramento rally. "Occupy Wall Street may only be a 'moment' but this can turn into real change if we all get involved and turn this into a movement."

Taylor, like a lot of Local 1000 members, is looking to next year's elections for change. "Some people in our government refuse to build the middle class—this is why it's important to elect the right people."



Theresa Taylor, an employee at Franchise Tax Board, and her husband William, show their support at Occupy Sacramento.

For more information on why labor unions have embraced Occupy Wall Street, visit tinyurl.com/laborsupportsoccupy

To see a map of all Occupy Wall Street locations, visit tinyurl.com/occupymap