

LA County is turning over control of billions of dollars in public services to private contractors while keeping government jobs vacant.



SHINING A LIGHT ON CONTRACTING OUT IN LA COUNTY GOVERNMENT



A MESSAGE FROM
**SEIU 721 PRESIDENT
DAVID GREEN**



In recent years, LA County's spending on largely unaccountable private contractors to perform public sector work has skyrocketed, effectively creating a taxpayer-to-private-sector pipeline, where our tax dollars are hard at work making the private sector rich.

The first victims of LA County's privatization wave are women and Black, Brown and immigrant workers — including a large proportion of the 55,000 LA County workers our union represents. Here's why:

- Government jobs traditionally are the fastest path to the middle class for women, people of color and immigrants.
- More than 40% of LA County's full-time permanent workers are Hispanic/Latino, nearly 20% are Black, and nearly 15% are Asian/ Pacific Islander. Women comprise 60% of the LA County workforce.
- Low wage workers are more likely to rely on social safety net programs like Supplemental Nutrition Assistance Program (SNAP), face housing and health insecurity, and become justice involved.

Our union is dedicated to building a society and economy that works for everyone – not just the wealthy few. We compiled this report to remind Los Angeles County's leaders that good public sector jobs are the key to quality services, strong communities, and a pathway to the middle class, while privatization is a one-way escalator down to poverty.

David Green



EXECUTIVE SUMMARY

Across the United States, public sector workers and the communities they serve are facing an inconspicuous threat: privatization. Under the guise of efficiency and cost savings, local governments are auctioning off public services to private entities at alarming rates. These unaccountable private entities, both for-profit and non-profit, often provide inferior service quality and subpar wages and benefits to their employees, while collecting billions in taxpayer funding.¹ For-profit entities, guided by the imperative of maximizing profits for their shareholders, often partake in harmful cost-saving measures, such as increasing employee workloads and making unsafe cuts to staffing.² Non-profit entities, often regarded as inherently virtuous organizations, are increasingly behaving like for-profit corporations. Many non-profit entities exploit the desire to work for mission-driven

"By contracting out public services and therefore jobs, local governments are removing clear and important pathways to the middle class, especially for People of Color."

organizations by offering meager wages and inadequate benefits. Nationally, one in five non-profit workers cannot afford basic living expenses.³ Rates of financial hardship are especially felt by non-profit workers of color: 35% of Black workers; 34% of Hispanic workers; and 33% of American Indian/Alaska Native non-profit workers face financial distress.⁴

Privatization most visibly impacts the public sector workforce by threatening their employment, but its effects have implications on the broader local workforce and economy. Public sector employment has traditionally created "ladders of opportunity" by offering highly desirable jobs with strong wages, health insurance, and retirement benefits, particularly to workers who have been traditionally excluded from full participation in the private sector.⁵ By contracting out public jobs, local governments are removing clear and important pathways to the middle class, especially for People of Color. These practices also have ripple effects in the local economy and can be tied to the makeup of community members who can afford ballooning housing costs in the surrounding market. A recent report prepared for the California Legislative Black Caucus found that "a plurality of Black Californians still lived in Los Angeles (36%) in 2020, but this share declined from 41 percent in 2000. In 2020, more Black Californians were living in the Inland Empire and Sacramento, whereas fewer were living in large urban centers such as San Diego, San Francisco, Los Angeles, and Oakland."⁶

As past research makes clear, offering strong wages, benefits, and working conditions is a benefit to all; creating highly desirable jobs attracts the best and brightest employees, which puts upward pressure on the private sector to meet or exceed these types of wages and benefits to remain competitive. The inverse, however, is also true. When public employers transform well-paying

public sector jobs into low wage contracted positions, there is downward pressure on wages, benefits, and working conditions that erode the middle class and widen income inequality.⁷ In turn, the local economy, small businesses in particular, is adversely impacted by the erosion of well-paying jobs. Since contracted workers usually earn less, they will likely spend less on goods and services in the local economy, impeding economic growth and activity.⁸⁹ Low wage workers are also more likely to rely on social safety net programs like Supplemental

"Our Union calls on the Los Angeles County of Board of Supervisors to immediately reduce contracting expenditures...and implement new guardrails to ensure the responsible stewardship of taxpayer funding."

Nutrition Assistance Program (SNAP),¹⁰ face housing and health insecurity,¹¹¹² and become justice involved.¹³

As mentioned, public sector employment has long provided a pathway to the middle class for People of Color, and that remains true in Los Angeles County. According to a County-produced dashboard, as of March 31, 2024, nearly two-thirds (60.3% or ~55,900) of Los Angeles County's full-time permanent employees identified as female, while almost 40% (39.7% or ~36,800) identified as male, and 0.01% (10) identified as non-binary.¹⁴ More than 40.0% (42.9% or 39,710) of Los

Angeles County's full-time permanent employees identified as Hispanic or Latino, 16.9% (15,626) identified as Black or African American, 13.9% (12,853) identified as Asian, and 19.2% identified as White (17,747).¹⁵ When Los Angeles County outsources and privatizes public services, communities of color suffer most.

Unfortunately, Los Angeles County seems to have fully embraced the self-defeating ideology of privatization. This report produced by Service Employees International Union (SEIU) Local 721 analyzes contract expenditure data, budget documents, board correspondence, board agendas, and other materials to determine Los Angeles County's reliance on private contractors. Our research details enormous increases in funding for contracted out services since fiscal year 2014, massive increases in funding for temporary personnel services in the Department of Health Services (DHS) and provides several examples of wrongdoing committed by contractors the county has entrusted to provide public services. Our Union calls on the Los Angeles County of Board of Supervisors to: sustain our communities by creating quality, union jobs; update and expand the Living Wage Program; address recruitment and retention challenges and expeditiously fill vacant positions; implement new guardrails to ensure the responsible stewardship of taxpayer funding; and explore the establishment of a countywide Labor Peace Agreement policy that applies to all service contracts.

KEY FINDINGS:

- According to expenditure data received from Los Angeles County and analyzed by SEIU Local 721, the County has significantly increased its spending on contracted services from FY 2014 to FY 2023. In FY 2014, LA County spent \$3.2 billion on contracted services, representing 14% of all expenditures made that fiscal year. In FY 2023, LA County spent \$6.2 billion on contracted services, representing 17% of all expenditures made that fiscal year. Overall, between FY 2014 and FY 2023, LA County increased its spending on contracted services from \$3.2 billion to \$6.2 billion, or by 94%.
- Our research finds that Los Angeles County overwhelmingly contracts with private entities. Of the \$6.2 billion LA County spent on contracted services in FY 2023, approximately 90.7% was dealt to private contractors. Private entities generally lack the security, job benefits, and unionization traditionally associated with California municipal governments. At the same time, they also maintain much lower levels of responsiveness and accountability to the public. The recommendations outlined in this report are applicable to private entities, which make up the vast majority of entities that maintain contracts with the County.
- Since 2022, the Los Angeles County Board of Supervisors has adopted 537 individual agenda items that include provisions to renew, amend, suspend, terminate, or award new contracts. Among those 537 items, 455 adopted agenda items have approved or delegated authority to the CEO or department staff to extend or adopt 1,965 contracts. Additionally, the Board has approved virtually all contract-related items brought before it for consideration. Since 2022, the Board has approved 99% of contract-related items placed on their meeting agendas.
- Los Angeles County's Department of Health Services (DHS) has significantly increased its spending on temporary medical personnel or registry services from FY 2018 to FY 2023. In FY 2018, DHS spent \$64 million on registry services to employ 768 outside contractor full-time equivalent employees (FTEs). In FY 2023, DHS spent \$268 million on registry services to employ 1,312 outside contractor FTEs. Overall, between FY 2018 and FY 2023, DHS increased its registry expenditures from \$64 million to \$268 million, or by 319% and its usage of outside contractor FTEs from 768 to 1,312, or by 71%.

- The speed at which Los Angeles County has ramped up its spending on private contracts has not kept pace with their efforts to adequately staff its directly operated departments. As of October 31, 2024, the County had an overall vacancy rate of 18% or 20,770 full-time equivalent (FTE) vacancies. As of October 31, 2024, 14 County departments reported higher vacancy rates for 721-represented classifications when compared to the overall departmental vacancy rate.
- Most glaringly, the Library Department reported almost half (49% or 627) of its budgeted FTE positions were unfilled and the Department of Human Resources (DHR) maintained a 30% vacancy rate overall, but 79% of 721-represented budgeted FTE positions in the department were unfilled in October 2024. This severe understaffing has obvious implications for the County's ability to promptly address systemic recruitment and retention issues, since the positions tasked with filling vacancies are themselves chronically unfilled.



**THE LOS ANGELES COUNTY BOARD OF SUPERVISORS
EFFECTIVELY RUBBERSTAMPS CONTRACTS, TRANSFERRING
OVERSIGHT AUTHORITY TO UNELECTED STAFFERS**

Since 2022, the Los Angeles County Board of Supervisors has adopted 537 individual agenda items that include provisions to renew, amend, suspend, terminate, or award new contracts. Among those 537 items, 455 adopted agenda items have approved or delegated authority to the CEO or department staff to extend or adopt 1,965 contracts. The 537 adopted items have extended or approved 179 Proposition A contracts and 1,786 non-Proposition A contracts (see Table 1 below).

Table 1: Extended or Adopted Contracts, 2022-2024

	2022	2023	2024
Proposition A	65	65	49
Non-Proposition A	618	538	630
Total	683	603	679
Grand Total	1,965		

The Los Angeles County Board of Supervisors not only maintains broad authority to enter into agreements with private contractors, but their tendency to approve new or amend existing contracts in bulk with little to no discussion, or to bestow outsourcing authority to unelected department heads leads to a lack of both accountability and transparency. For example, on May 3, 2022, the Board unanimously approved 18 agenda items involving 110 contract-related items, all without discussion, inquiry, or debate.¹⁶ One single vote approved 57 contracts to provide specialty mental health services from July 2022 to June 2026, plus five additional one-year extension options, at an estimated annual cost of \$267 million, or \$1.1 billion for the duration of the base term.¹⁷

Additionally, the Board has approved virtually all contract-related items brought before it for consideration. Since 2022, the Board has approved 99% of contract-related items placed on their meeting agendas. According to contract expenditure data received from the County of Los Angeles, almost half or 49.8% of the County's total contract expenditures in FY 2023 were entered into by unelected department heads using delegated authority (3,510 of 7,048 total contract expenditures).

Since 2022, the three service categories with the highest count or volume of contracts include specialty mental health, legal entity,¹⁸ and foster care placement services. Chart 1 below shows the top 10 most frequently contracted out services by number of contract-related items.

**Chart 1: Top 10 Most Frequently Contracted Out Services
by Number of Contract-Related Items, 2022-2024**

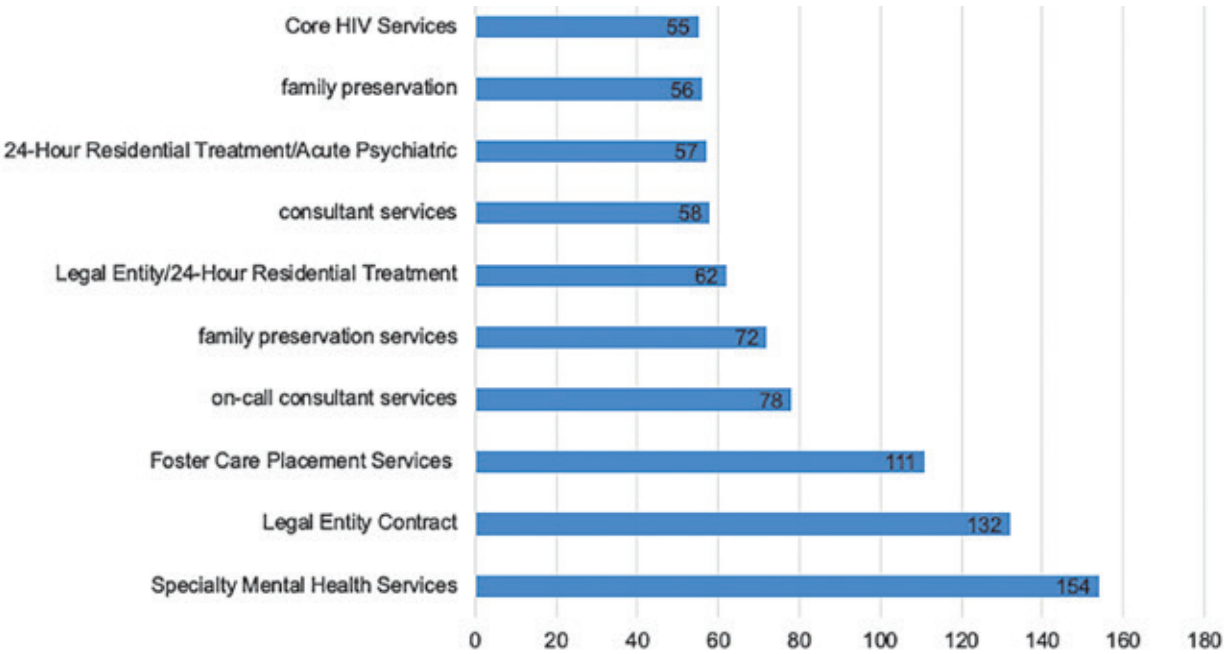
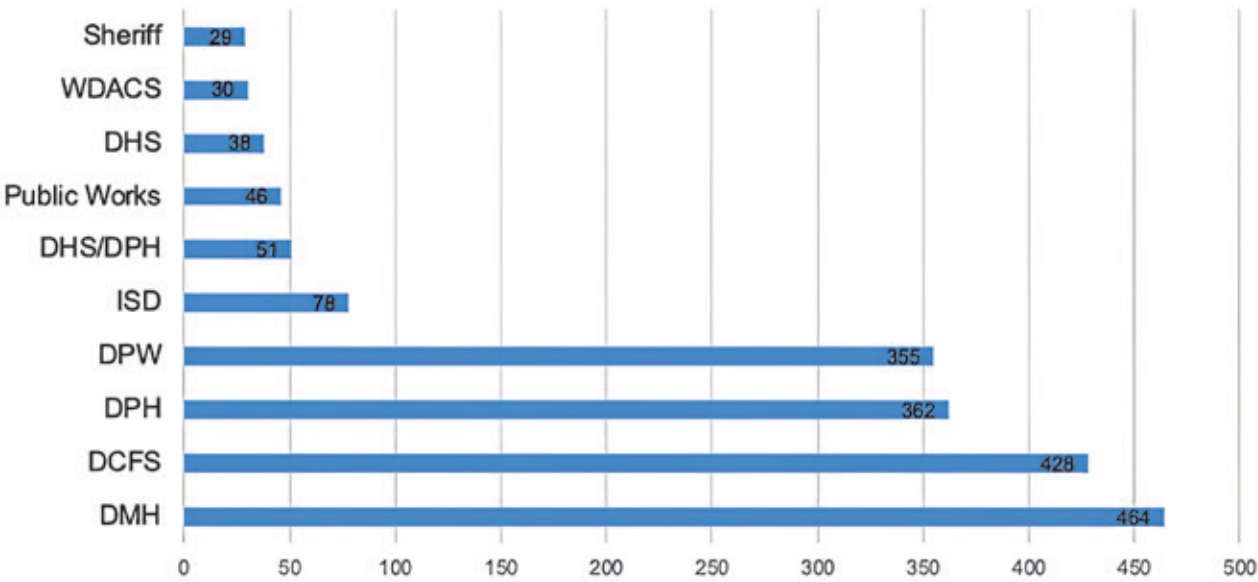


Chart 2 shows the top 10 county departments by number of contract-related items approved by the Board of Supervisors since 2022. These 10 departments account for 83% of the total number of contract-related items approved by the Board during this period.

**Chart 2: Top 10 Los Angeles County Departments
by Number of Contract-Related Items
2022-2024**



**ALMOST HALF OF ALL CONTRACTS AWARDED SINCE 2022
INVOLVED PROFIT-SEEKING FIRMS**

Since 2022, 46% of contract-related items approved by the Board of Supervisors involve non-profit entities and 41% involve private, profit-seeking firms (see Chart 3 below).

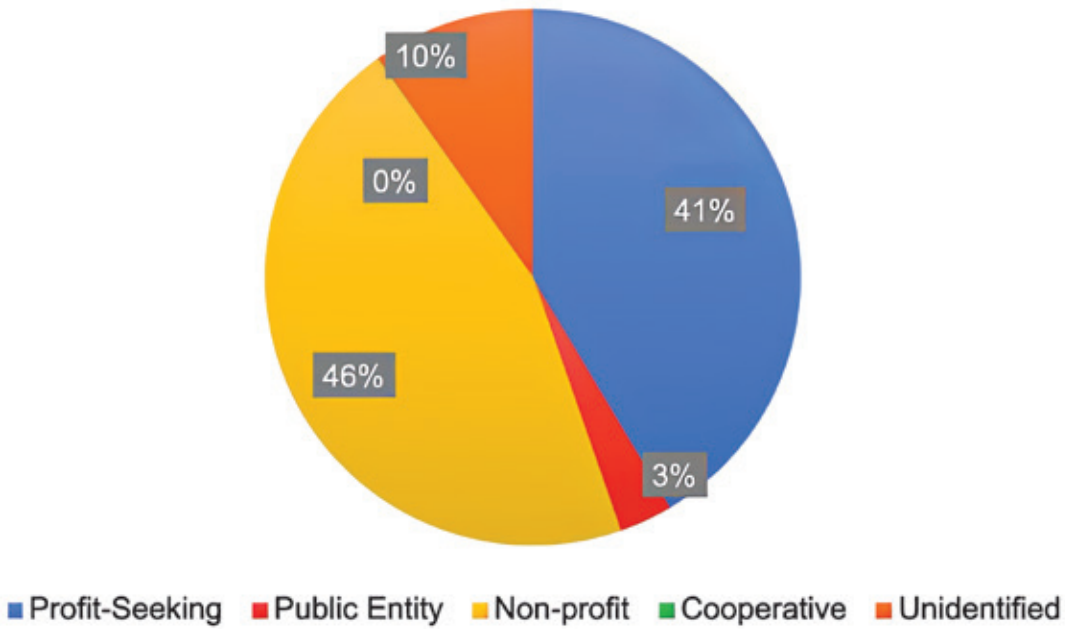
While large private, for-profit contractors have rightfully garnered criticism in academia and among policy advocates,¹⁹ non-profit contractors have traditionally faced far less scrutiny. Although some non-profit organizations provide invaluable services to the community, the frontline workers providing these services are often forced to subsist on unsustainably low wages and poor benefits.²⁰

While more research is required to understand the wages and working conditions of non-profit employees in Los Angeles County as a whole, an illustrative example may come from a recent RAND Corporation report on the homelessness response sector. The report found that most frontline non-profit employees working in the homelessness response sector in Los Angeles County, on average, did not earn a living wage, and in most cases earned far below the poverty threshold. In nearly all cases, the report revealed that individuals in the public sector who performed similar work received noticeably more equitable average wages, with the difference ranging from 6% to 31% more.²¹

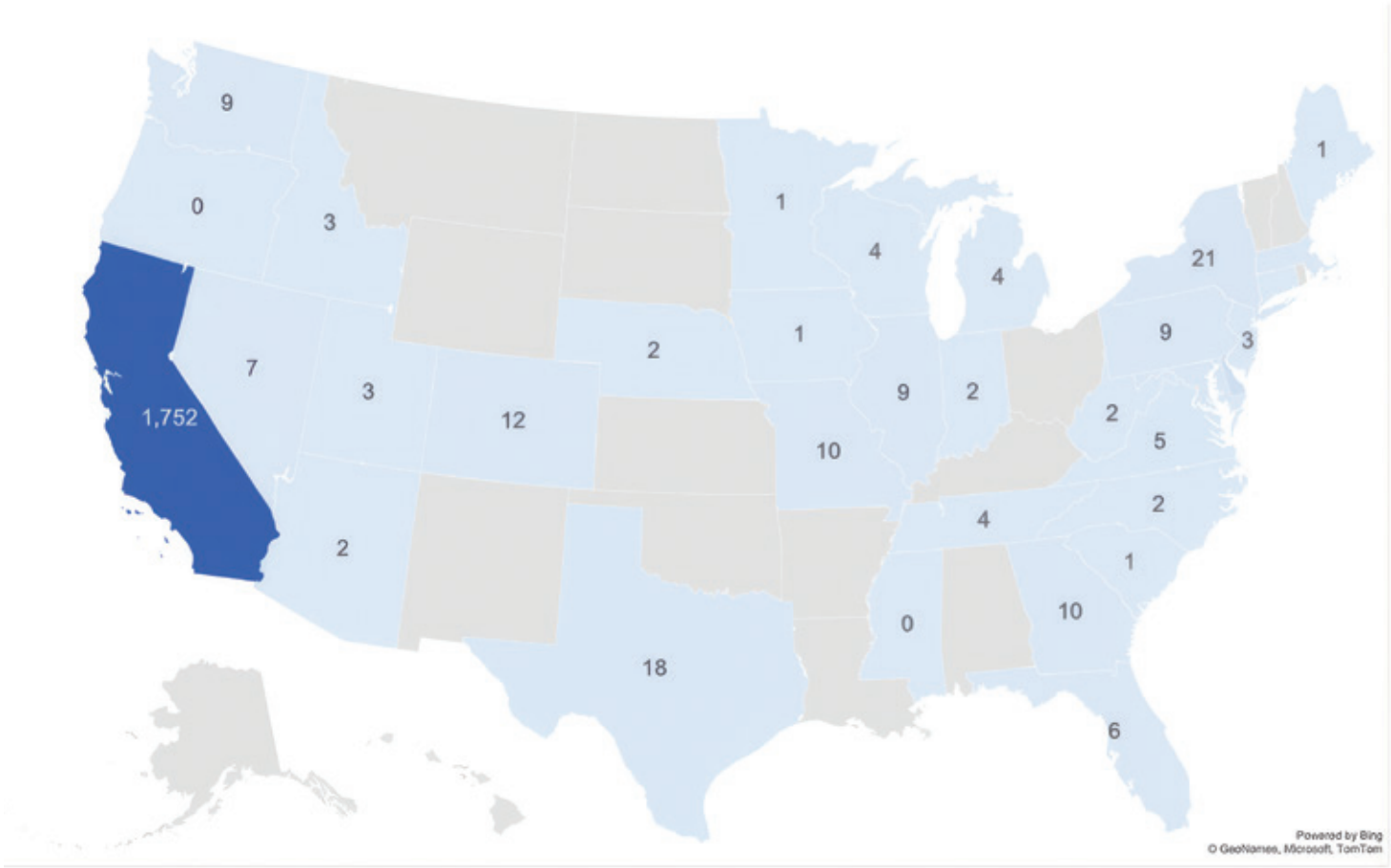
While the scope of the RAND report was mostly limited to wages, the most recent Compensation & Benefits Survey Report by Nonprofit Compensation Associates provides insight into the quality of benefits offered by non-profit employers.²² The report indicates that a high percentage of non-profit employers offer health insurance, dental insurance, and retirement benefits, yet the quality of these benefits is often subpar as compared to those offered in the public sector. For example, only 65% of non-profit employers offer fully paid HMO health insurance coverage, only 37% of non-profit employers pay at least half of the cost of HMO coverage for employee's dependents, and only 1% of non-profit employers offer a defined benefit plan.²³

The Los Angeles County Board of Supervisors has approved 537 individual agenda items that include 2,261 contract-related items since January 2022. 86% of entities that maintain contracts with the County are incorporated in California and 14% are incorporated elsewhere in the United States (see Map 1 below). Within California, 81% of the entities that hold contracts with the County are headquartered in Los Angeles County, 16% are headquartered in counties elsewhere in the state, and 2% are entities incorporated in California with principal locations out of state. Overall, 70% of entities that maintain contracts with the County are headquartered in Los Angeles County and 30% have primary locations elsewhere (see Chart 4 below and Appendix B).

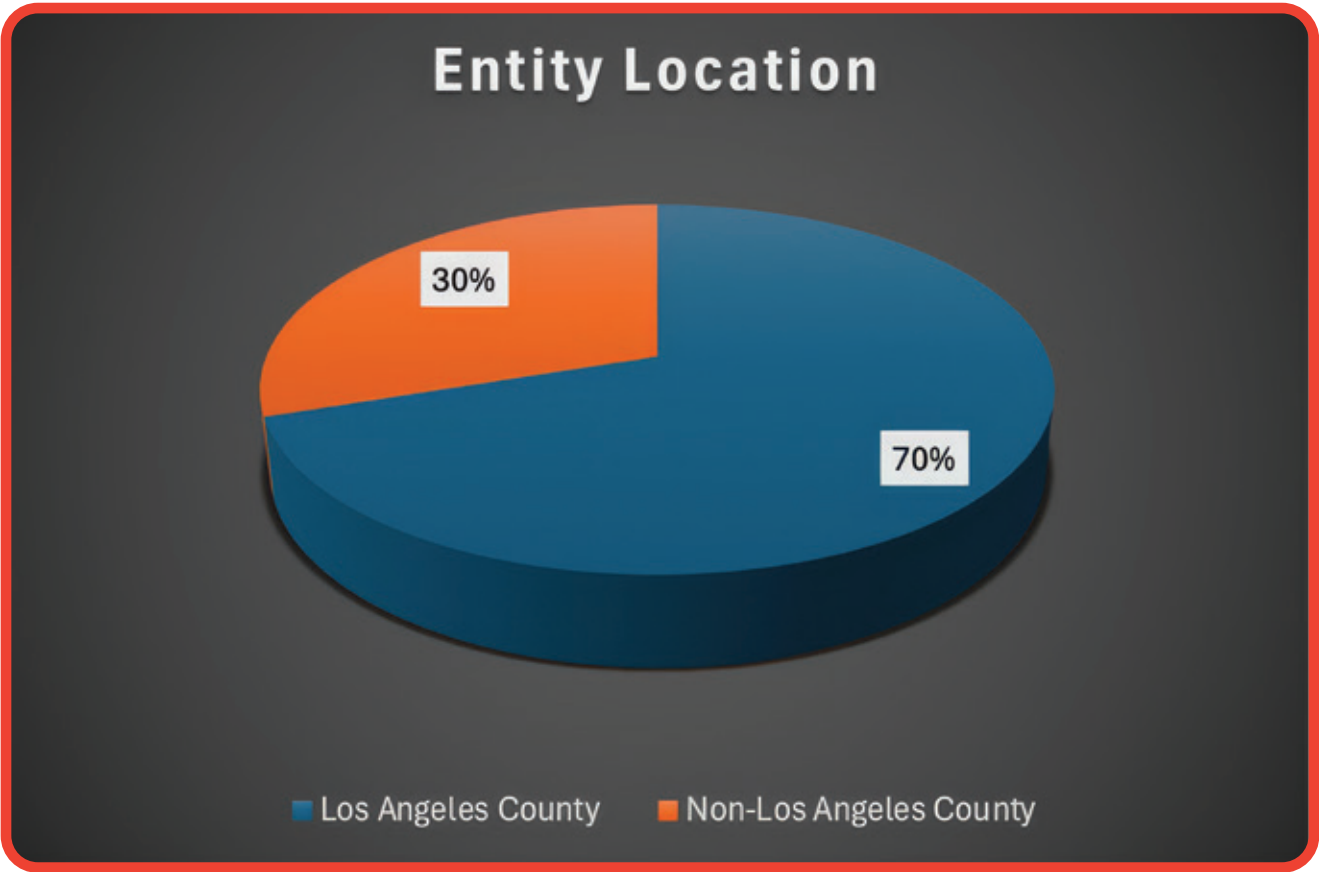
**Chart 3: Composition of Contracting Entities
by Number of Contract-Related Items
2022-2024**



**Map 1: Incorporated Location of Contracting Entities
by Number of Contract-Related Items
2022-2024**



**Chart 4: Percent of Contractors Headquartered in Los Angeles County
by Number of Contract-Related Items
2022-2024**



**COUNTY SPENDING ON CONTRACTED SERVICES
SKYROCKETED OVER THE LAST DECADE**

Based on an internal analysis of expenditure data received from Los Angeles County in response to a California Public Records Act (PRA) request, the County recorded 7,048 contract expenditures in fiscal year (FY) 2023, 247 of which were entered into under the provisions of Proposition A (“Prop A”) (see Table 2 below).²⁴

**Table 2: Los Angeles County Proposition A Contracts
FY 2019 to FY 2023**

FY	# of Prop A Contracts	Prop A Cost	# of Total Contract Exp.	Total Contracting Exp.	% Prop A (# of Exp.)	% Prop A (\$ of Exp.)
2019	254	\$334,886,078	5,495	\$3,999,226,935	4.6%	8.4%
2020	253	\$319,679,622	5,971	\$4,662,556,371	4.2%	6.9%
2021	248	\$347,274,932	6,569	\$5,769,887,302	3.8%	6.0%
2022	257	\$375,593,504	6,924	\$5,685,608,023	3.7%	6.6%
2023	247	\$374,263,052	7,048	\$6,216,334,287	3.5%	6.0%

On June 27, 1978, on a recommendation from conservative Supervisor Pete Schabarum, the Los Angeles County Board of Supervisors adopted a resolution calling a special election for November 7. Voters were asked to approve a measure, Proposition A (“Prop A”), amending the County Charter to allow the Board to employ independent contractors for the performance of County work, where, among other things, it can be done more “economically” than by County employees.²⁵ Until that time, the Board adhered to California Government Code 31000, which limits contracting only to “special services...with persons specially trained, experienced, expert and competent to perform the special services...or if the board finds that the site is remote from available county employee resources.”²⁶

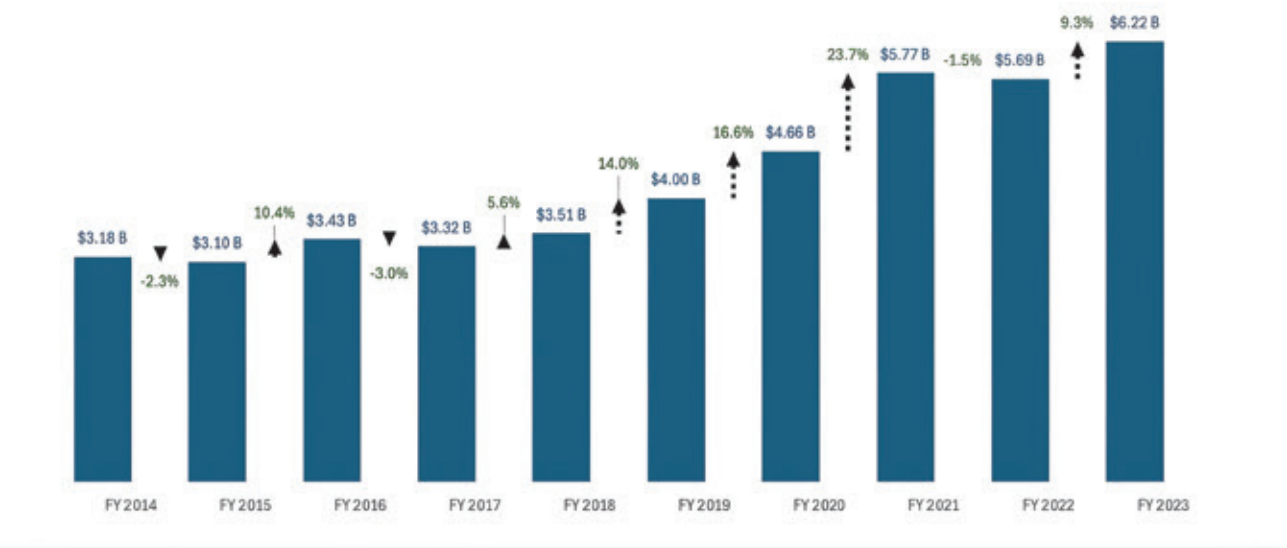
The adoption of the resolution came three weeks after the passage of Proposition 13, the landmark tax limitation measure, on June 6, 1978. The timing was not coincidental. In the wake of Proposition 13, virtually overnight, local government budgets were decimated by drastic reductions in property tax revenues.²⁷ Despite claims that Prop A would serve as a responsible fiscal management strategy, a 1983 joint hearing by the Commission on California State Government Organization and Economy and the Assembly Committee

on Governmental Organization found that the County saved significantly less than initial projections and that these savings came at a significant economic and social cost to the County workforce.²⁸

Any cost savings achieved by outsourcing County jobs to private enterprise are likely linked to lower salaries and benefits, not operational efficiencies. Prop A contractors are subject to various provisions, including the County’s Living Wage Program (LWP), which currently mandates all Prop A and cafeteria services contractors and subcontractors pay all full-time and part-time employees no less than \$18.86 per hour.²⁹ As displayed in Table 2 above, Prop A contracts only represented 3.5% of the total number of contract expenditures in FY 2023. Therefore, the vast majority of County contractors are not required to pay their employees the enhanced living wage, which one study shows is already well below the \$48.92 hourly wage required to rent a two-bedroom unit in the Los Angeles metropolitan area.³⁰ By limiting the LWP’s application to Prop A and cafeteria services contracts, the County created a system that does not value work equally and only obligates a small fraction of contractors to compensate their employees fairly.

According to expenditure data received from Los Angeles County, the County has significantly increased its spending on contracted services from FY 2014 to FY 2023. In FY 2014, LA County spent \$3.2 billion on contracted services, representing 14% of all expenditures made that fiscal year.³¹ In FY 2023, LA County spent \$6.2 billion on contracted services, representing 17% of all expenditures made that fiscal year. Overall, between FY 2014 and FY 2023, LA County increased its spending on contracted services from \$3.2 billion to \$6.2 billion, or by 94% (see Chart 5 below)

Chart 5: Los Angeles County Contract Expenditure Growth, FY 2014 to FY 2023



Several departments have steadily or significantly increased their spending on contracted services since 2014 (see Table 3 below). More than half of the Department of Mental Health (DMH)’s total expenditures have consistently been allocated to outsourced services over the past 10 fiscal years, while the Department of Health Services (DHS), the Department of Public Health (DPH), the Department of Public Works (DPW), and the Internal Services Department (ISD) also increased contracting expenditures.

Table 3: Top 10 Los Angeles County Departments
by Expenditures on Contracted Services
FY 2014 to FY 2023³²

Department	FY 14 Contracted Out Exp.	FY 14 Total Exp.	% Exp Contracted Out FY 14	FY 23 Contracted Out Exp.	FY 23 Total Exp.	% Exp Contracted Out FY 23
Total	\$3,176,941,117	\$22,168,979,000	14%	\$6,216,334,287	\$36,601,180,000	17%
Mental Health	\$967,226,541	\$1,787,719,150	54%	\$1,599,653,239	\$2,881,514,075	56%
DHS (GF + HEF) ³³	\$731,968,013	\$4,904,526,172	15%	\$1,572,798,397	\$9,656,989,948	16%
Public Health	\$287,496,646	\$768,779,669	37%	\$690,745,307	\$1,778,764,300	39%
Public Works	\$101,265,025	\$1,331,390,374	8%	\$482,089,012	\$2,636,210,024	18%
Public Social Services	\$470,044,639	\$3,590,716,674	13%	\$348,466,303	\$5,158,879,225	7%
Internal Services	\$79,610,567	\$420,255,662	19%	\$209,439,174	\$627,814,976	33%
Children & Family Services	\$135,147,294	\$1,803,208,900	7%	\$133,796,938	\$2,831,083,451	5%
Sheriff	\$124,729,109	\$2,867,896,666	4%	\$120,554,906	\$4,062,722,488	3%
Registrar-Recorder and County Clerk	\$8,300,111	\$115,458,431	7%	\$87,739,393	\$297,229,489	30%
Economic Opportunity	N/A ³⁴	N/A	N/A	\$74,473,135	\$200,488,731	37%

The categories of services that Los Angeles County most frequently allocates to outside entities vary across departments, but the highest levels of contract expenditures typically relate to the healthcare delivery system (see Chart 6 below). In FY 2023, DMH spent roughly \$1.3 billion on Specialty Mental Health Services to be delivered by Legal Entity Contractors. DPH has almost entirely outsourced the functions of its Substance Abuse Prevention and Control (SAPC) division. Along with DHS and the Department of Children and Family Services (DCFS), DPH expended more than \$298 million on contracted substance use disorder service providers.

The County has steadily or significantly increased its spending on several contracted-out service categories since FY 2019. In the past five fiscal years, the County has increased spending on Case Management/Case Management Services from \$30 million to \$328 million (by more than 900%); Professional Specialized Services from \$5 million to \$129 million (by more than 2,000%); Mental Health Services from \$872,000 to \$25 million (by more than 2,000%); and Temporary Nurse Personnel/Temporary Nursing Personnel Services from \$2 million to \$81 million (by more than 3,000%).

**Chart 6: Top 10 Most Frequent Contracted out Services by Expenditures
FY 2023**



Los Angeles County contracts with thousands of separate entities, however, some entities maintain large agreements with the County. In FY 2023, the County paid 10 private contractors close to \$1 billion for various services rendered (see Chart 7 at right). These 10 contractors include seven private, non-profit corporations (Brilliant Corners, University of Southern California, Pacific Clinics, Special Service for Groups, Crystal Stairs, Public Health Foundation Enterprises, Tarzana Treatment Centers) and three private, profit-seeking corporations (Exodus Recovery, Healthcare Staffing Professionals, Star View Behavioral Health). Using County funds, these contractors provide various services, including Case Management, Social Services, Consulting Services, Temporary Personnel Services, and Legal Entity Contract services.

Chart 7: Top 10 Private Contractors by FY 2023 Expenditures

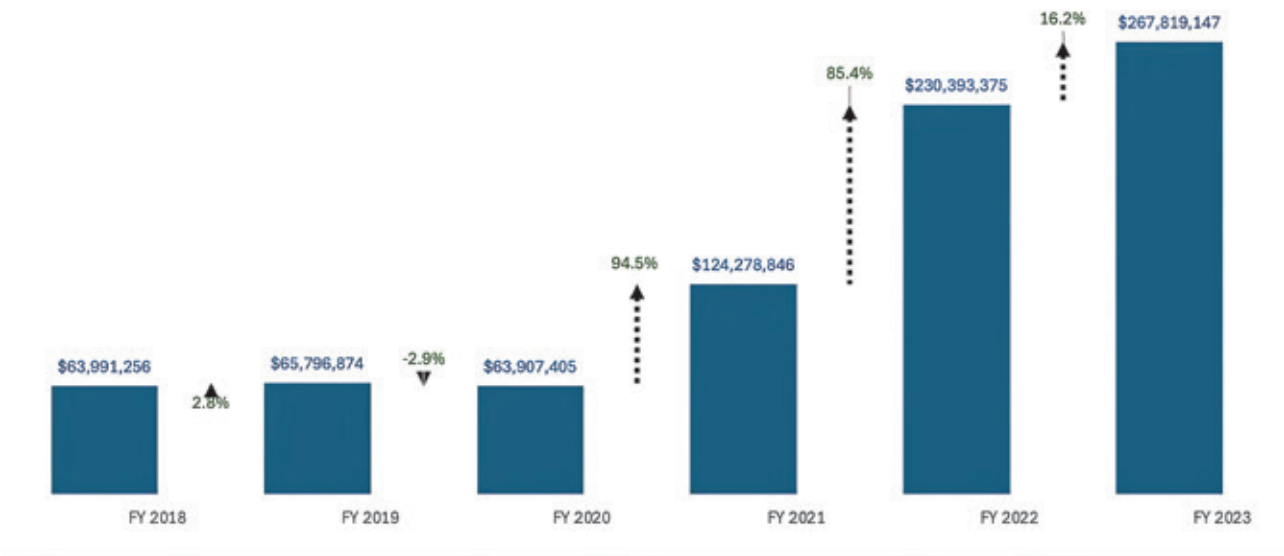


DHS SPENDING ON TEMPORARY MEDICAL
PERSONNEL INCREASED BY 319% SINCE 2018

The Los Angeles County Department of Health Services (DHS) maintains several dozen contracts with private entities to provide temporary medical services at hospitals and clinics throughout the County. These agreements, sometimes referred to as “registry contracts,” temporarily fulfill the job duties of SEIU Local 721-represented classifications such as Registered Nurse, Licensed Vocational Nurse, Pharmacy Technician, Surgical Technician, and Physical Therapist. Purportedly intended to provide interim support during periods of peak demand, our analysis shows that high registry usage is becoming a permanent and concerning feature of the County’s operations.

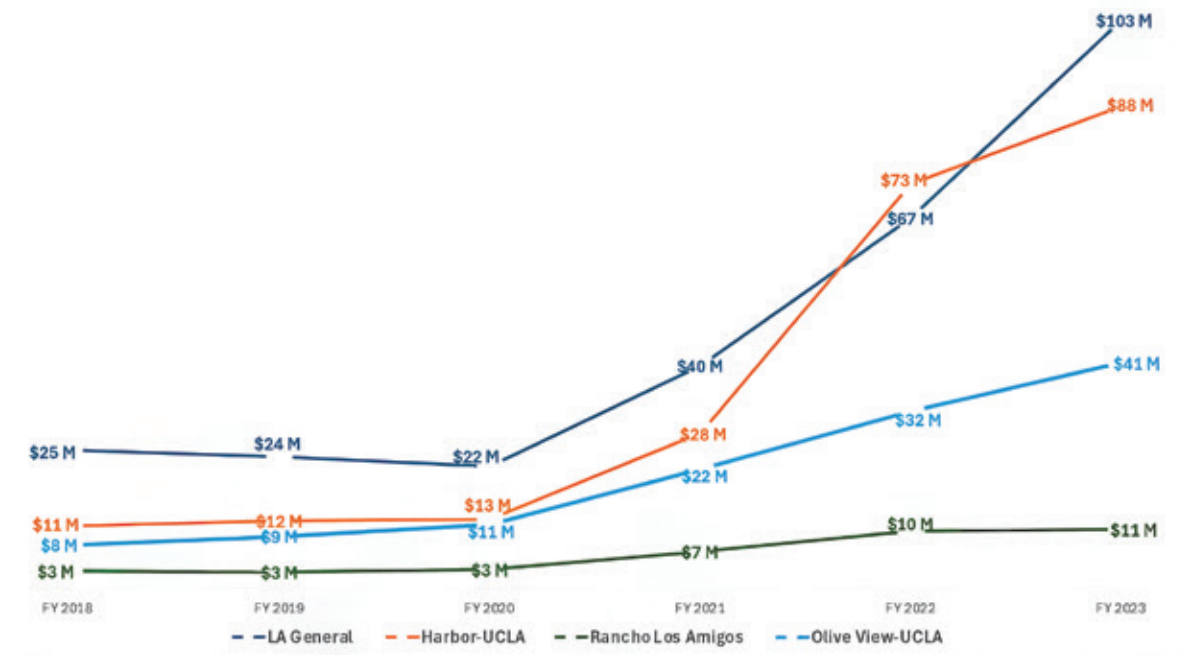
According to registry utilization data received from Los Angeles County, DHS has significantly increased its spending on registry services from FY 2018 to FY 2023. In FY 2018, DHS spent \$64 million on registry services to employ 768 outside contractor full-time equivalent employees (FTEs). In FY 2023, DHS spent \$268 million on registry services to employ 1,312 outside contractor FTEs. Overall, between FY 2018 and FY 2023, DHS increased its registry expenditures from \$64 million to \$268 million, or by 319% and its usage of outside contractor FTEs from 768 to 1,312, or by 71% (see Chart 8 below).

Chart 8: Los Angeles County DHS Registry Expenditure Growth
FY 2018 to FY 2023



Several facilities within DHS have steadily or significantly increased their spending on registry services since FY 2018. Juvenile Court Health Services has increased its spending on registry services from \$49 thousand to \$5 million, or by more than 10,000%. Harbor-UCLA Medical Center has increased its spending on registry services from \$11 million to \$88 million, or by 700%. Olive View-UCLA Medical Center has increased its spending on registry services from \$8 million to \$41 million, or by 413%. Los Angeles General Medical Center has increased spending on registry services from \$25 million to \$103 million, or by 313% (see Chart 9 below).

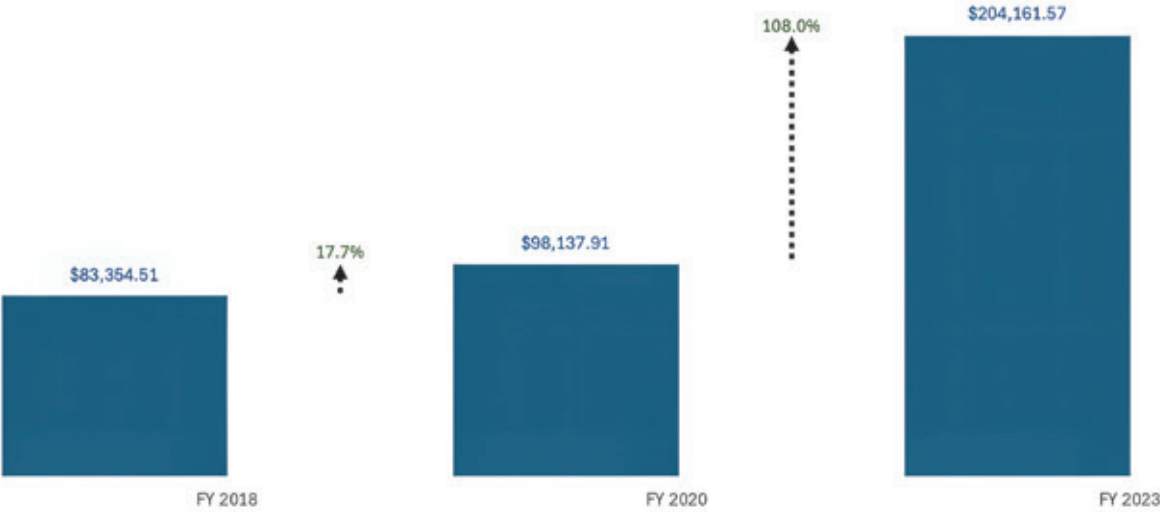
Chart 9: Los Angeles County DHS Medical Center Registry Expenditure Growth
FY 2018 to FY 2023



While overall registry utilization has significantly increased from FY 2018 to FY 2023, DHS has particularly heightened its reliance on nursing registries. Overall, between FY 2018 and FY 2023, DHS increased its nursing registry expenditures from \$11 million to \$186 million, or by more than 1,500%, and its usage of outside nursing contractor FTEs grew from 143 to 674, or by 371%.

Moreover, the average cost per FTE at DHS saw a significant increase in addition to the expansion in overall registry use from FY 2018 to FY 2023. In FY 2018, DHS spent, on average, \$83,355 for each outside contractor FTE. In FY 2023, DHS spent, on average, \$204,162 for each outside contractor FTE. Overall, between FY 2018 and FY 2023, DHS’s average cost per FTE increased from \$83,355 to \$204,162, or by 145% (see Chart 10 below).

**Chart 10: Los Angeles County DHS Average Cost Per FTE Growth
FYs 2018, 2020, 2023³⁵**



**LOS ANGELES COUNTY MUST INVEST IN ITS
WORKFORCE AND FILL CRITICAL VACANCIES**

The speed at which Los Angeles County has ramped up its spending on private contracts has not kept pace with their efforts to adequately staff its directly operated departments. In FY 2023, Los Angeles County spent 17% of total expenditures on contracting out, while as of October 31, 2024, the County had an overall vacancy rate of 18% or 20,770 full-time equivalent (FTE) vacancies. As displayed in Table 4 on page 24, 19% of budgeted FTE positions represented by SEIU Local 721 were unfilled at that time, and three departments (Health Services, Mental Health, and Child and Family Services) accounted for more than half (54% or 6,626) of all vacant 721-represented FTE positions.

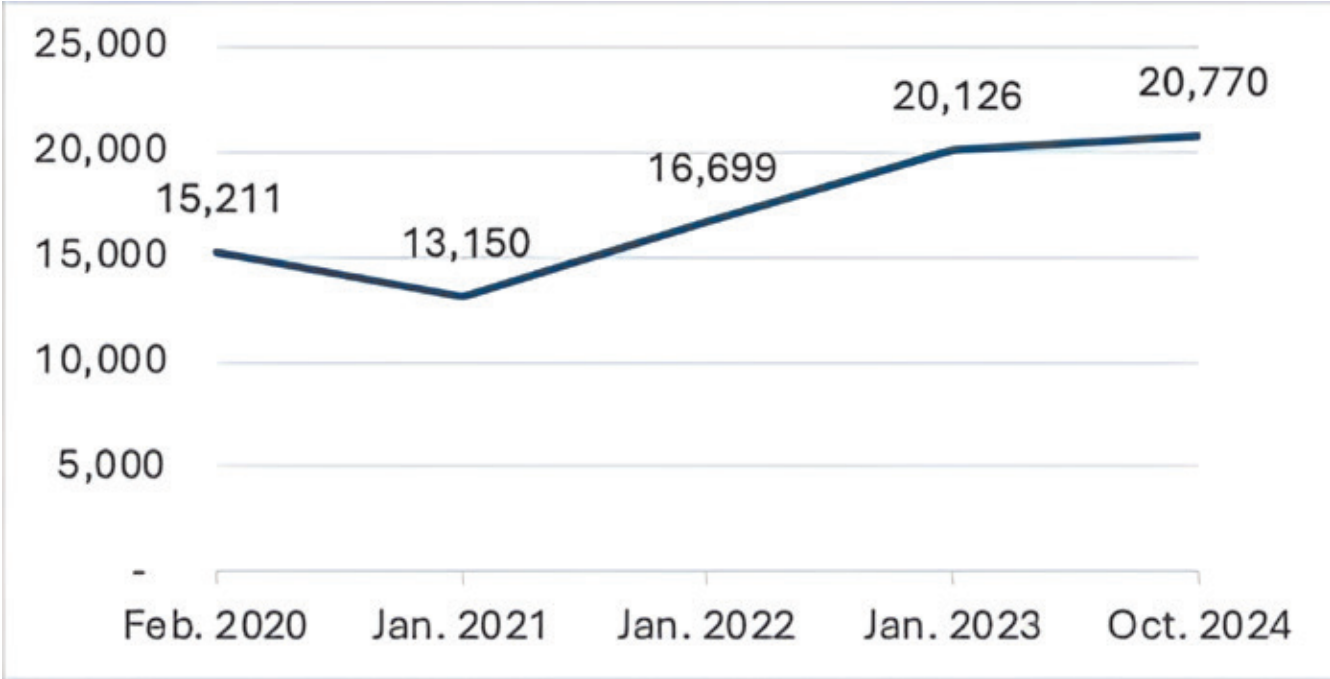
The County’s failure to timely onboard qualified staff into positions that are already accounted for in the annual budget has serious impacts on the overall workforce, including SEIU Local 721’s members. As of October 31, 2024, 14 County departments reported higher vacancy rates for 721-represented classifications when compared to the overall departmental vacancy rate. Most glaringly, the Library Department reported almost half (49% or 627) of its budgeted FTE positions were unfilled and the Department of Human Resources (DHR) maintained a 30% vacancy rate overall, but 79% of 721-represented budgeted FTE positions in the department were unfilled in October 2024. This severe understaffing has obvious implications for the County’s ability to promptly address systemic recruitment and retention issues, since the positions tasked with filling vacancies are themselves chronically unfilled. Understaffing can lead to increased workloads, stress, burnout, and frequency of accidents or injuries, therefore causing a reduction in the availability and quality of public services.



Table 4: Los Angeles County Vacancy Rates by Department, October 2024

Department	FY 2023 % Contracting Out of Total Expenditures	Vacancy Rate	Budgeted FTEs	FTE Vacancies	SEIU L721 Vacancy Rate	SEIU L721 Budgeted FTEs	SEIU L721 Vacancies
Total	17%	18%	117,086	20,770	19%	66,645	12,080
Aging and Disability	45%	29%	596	173	28%	400	110
Mental Health	56%	28%	7,434	2,078	32%	4,102	1,314
Consumer and Business Affairs	31%	30%	186	55	37%	115	43
Public Health	39%	24%	5,631	1,355	24%	3,532	864
Auditor-Controller	3%	14%	636	90	18%	209	37
Internal Services	33%	26%	2,157	557	27%	957	258
Registrar-Recorder County Clerk	30%	29%	1,170	338	32%	1,010	320
Health Services	16%	19%	27,612	5,351	21%	20,650	4,376
Public Works	18%	14%	4,231	587	16%	1,641	259
Assessor	7%	9%	1,400	129	8%	589	50
Human Resources	11%	30%	597	179	79%	199	157
Parks and Recreation	7%	32%	1,689	538	36%	1,173	423
Beaches and Harbors	9%	19%	356	67	21%	244	52
Board of Supervisors	11%	-7%	501	-34	20%	40	8
Regional Planning	7%	10%	211	21	14%	35	5
Public Social Services	7%	5%	14,669	784	5%	13,473	672
Child and Family Services	5%	10%	9,986	1,011	11%	8,800	936
Probation	4%	28%	5,482	1,538	21%	1,598	333
Library	5%	49%	1,276	627	52%	1,159	597

Chart 11: Los Angeles County Total FTE Vacancies, 2020-2024

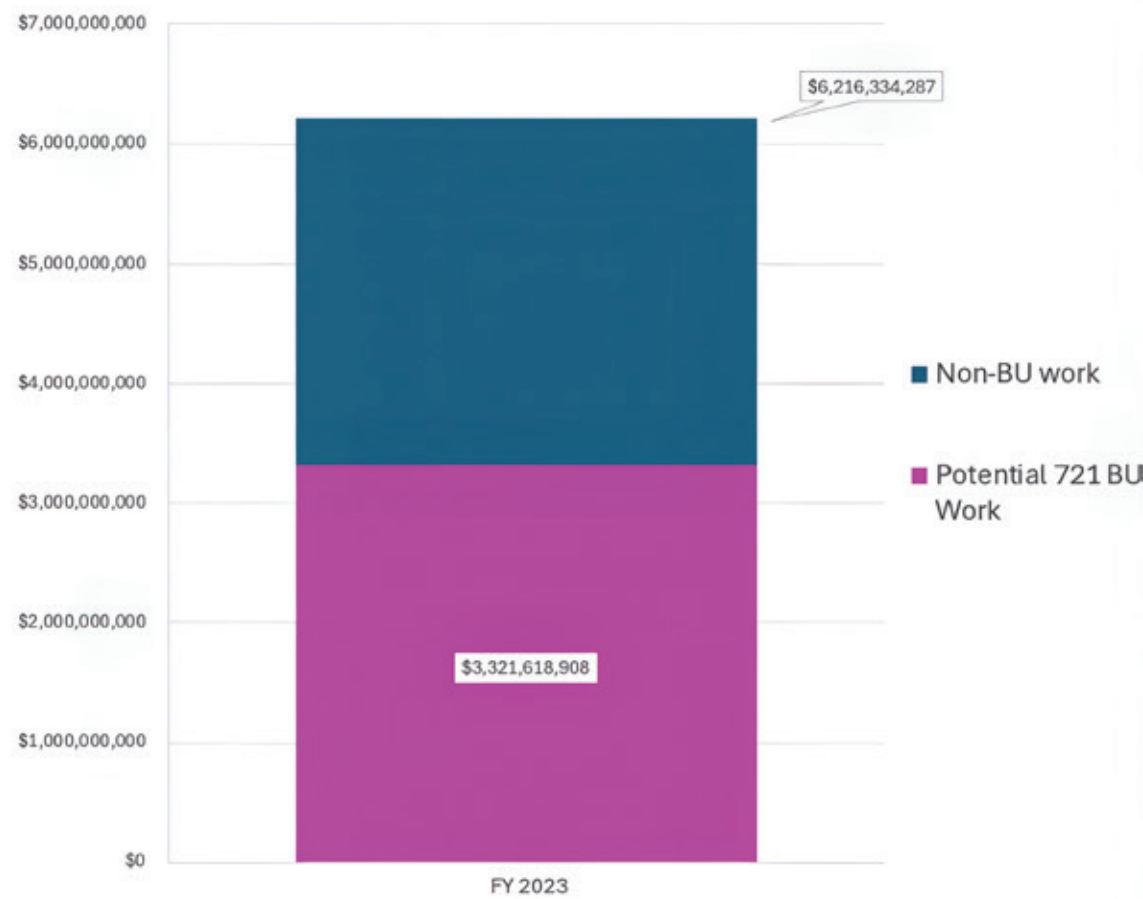


Los Angeles County’s consistently high vacancy rate (see Chart 11 above) manufactures a staffing crisis which creates an excuse to hire temporary public employees or contract out bargaining unit work to private contractors. The state legislature, through the introduction and passage of Assembly Bill 2561 (McKinnor) recently recognized that “job vacancies in local government are a widespread and significant problem for the public sector affecting occupations across wage levels and educational requirements,” ultimately leading to strains on public service delivery.³⁶ Assembly Bill 2561 provides a meaningful opportunity for labor organizations and their members to engage with local officials to better understand and address recruitment and retention issues. Rather than continuing to increase its reliance on contracted entities or leave budgeted position unfunded in the name of salary savings, the County should collaboratively develop changes to policies, procedures, and recruitment activities to address obstacles in the hiring process.

LOS ANGELES COUNTY’S SPENDING EFFECTIVELY ERODES
SEIU LOCAL 721’S BARGAINING UNITS

Los Angeles County’s existing workforce provides an array of essential safety net services to communities throughout the region. Rather than investing in growing public sector employment opportunities, however, the County continues to increase its reliance on private contractors that likely do not offer the same level of sustainable wages, benefits, or job security for their employees as do public sector jobs. In FY 2023, for example, \$3,321,618,908 out of \$6,216,334,287 allocated to contracted services could potentially be performed by SEIU Local 721 represented bargaining unit job classifications (see Chart 12 below and Appendix C). Therefore, up to 53% of all Los Angeles County contract expenditures in FY 2023 were for services that could otherwise potentially be performed by Local 721’s members.

Chart 12: SEIU Local 721 BU Impact, by FY 2023 Expenditures



LOS ANGELES COUNTY’S CONTRACTING PROCESSES
LACK ACCOUNTABILITY AND TRANSPARENCY

In recognition of the widespread flaws in public contracting, the Federal Office of Management and Budget (OMB) revised the Uniform Guidance in April 2024. The OMB Uniform Guidance is a set of federal guidelines that determine how public entities can spend federal grant money. Among the recent revisions, the new guidelines require public entities using federal grant money to perform an extensive cost analysis during the procurement process and recommend “[considering] potential workforce impacts in their analysis if the procurement transaction will displace public sector employees.”³⁷

Compared to the best practices identified in the revised OMB Uniform Guidance, Los Angeles County’s procurement and administration of service contracts is shrouded in deficiencies and unaccountability. Its shortfalls prevent County officials from making informed decisions about the costs, benefits, and detriments of contracting out public services. Below are specific areas for improvement, based on the revised OMB policy:

- ▶ Cost Analyses: For a small subset of Los Angeles County contracts, departments must produce a report that compares the costs of performing the desired service in-house with County employees to contracting with an outside entity to provide the service. This required process to ensure cost effectiveness, however, is limited to a small portion of County contracts known as “Proposition A” contracts. Because of the uneven County requirements regarding cost analyses, the vast majority of the County’s contracts were entered into without examining cost effectiveness and/or the feasibility of performing the services in-house with County employees
- ▶ The Limits of the Status Quo: On the relatively small number of occasions where cost analyses are generated by Los Angeles County departments, the method to calculate ‘cost effectiveness’ lacks a comprehensive view of the costs and benefits associated with contracting out public services. The current method compares the cost-of-service delivery between the County and the private entity, and includes costs such as employee wages and benefits, supplies and services, and indirect costs. This analysis, however, lacks consideration for broader economic and social costs to the County and community.
- ▶ For example, the County’s cost analyses do not consider administrative or ongoing expenses related to procurement or oversight, indirect expenses to public entities in the shape of elevated public assistance, environmental impacts, effects on employees and their families, and direct and indirect repercussions on the regional economy.³⁸ Furthermore, cost analyses are only performed once, prior to the commencement of a contract, and are not updated to reflect any subsequent amended increases or other potential alterations to the financial sustainability of the contract. Last, the

current method of determining potential cost savings does not include feedback or participation from County employees nor community stakeholders.

- ▶ Contract Monitoring: Despite the invaluable work performed by the LA County Department of Auditor-Controller in monitoring the County's numerous contracts, there are several process improvements that can be implemented to improve contractor service quality and increase accountability. First, the Auditor-Controller must perform contract monitoring reports (CMR) on a far greater scale.³⁹ Out of roughly 5,907 unique contracts held by the County, the Auditor-Controller publicly produced 35 CMR in 2023, equivalent to 0.59% of all contracts. Second, the Auditor-Controller must expand its existing scope of work beyond CRM and state/federally required financial audits to include on-site inspection of contractor service quality, feedback incorporation from employees and the public on ways to improve service quality, as well as performing more comprehensive and consistent cost analyses. Last, the County must fully staff and grow the Auditor-Controller department. An internal analysis shows the department had a vacancy rate of 14% in October 2024. With an appropriate staffing level, the Auditor-Controller will be better prepared to safeguard taxpayer funding and hold contractor malfeasance accountable.

Amid allegations of corruption involving former Los Angeles County Supervisor Mark Ridley-Thomas and the County's contracting process, the County commissioned an independent investigation by the law firm Covington & Burling LLP in 2021. Following a three-year investigation, the law firm submitted its findings to the Board of Supervisors in October 2024, confirming the presence of numerous deficiencies, like those identified above.⁴⁰ To improve transparency and accountability, the law firm offered the following process-focused recommendations:

- ▶ Continue ongoing efforts to centralize contracting documents and data.
- ▶ Enhance procedures to improve competition regarding contract awards and renewals.
- ▶ Enhance contract monitoring procedures.
- ▶ Implement standardized and robust due diligence process for current and prospective vendors.
- ▶ Evaluate the Auditor-Controller's resources.
- ▶ Review and enhance contractor accountability procedures.

PUBLIC SECTOR JOBS ARE AT RISK - CASE STUDY: MARTIN LUTHER KING, JR. COMMUNITY HOSPITAL

Prior to its closure in 2007, Martin Luther King, Jr.-Harbor Hospital (MLK) was directly operated by the County of Los Angeles. In Spring 2008, the County, to restore inpatient services, approached the Regents of the University of California (UC) to develop a plan under which this could be accomplished. On July 13, 2010, the Board of Supervisors approved the Coordination Agreement which defines the commitments of the county and the UC regarding their respective roles in the opening of a new private, non-profit community hospital on the former MLK campus.⁴¹ On August 10, 2010, the Board approved the appointment of the MLK Healthcare Hospital Board of Directors to manage the new hospital.⁴² On April 22, 2014, the County of Los Angeles entered into a long-term lease with a newly formed private, non-profit entity, Martin Luther King- Los Angeles Healthcare Corporation (MLK-LA).⁴³

The County's decision to grant oversight authority of MLKCH to a private third-party limits the potential to leverage public dollars so that the highest quality of care is delivered to the most medically vulnerable residents in South Los Angeles. Privatization of public services on MLK's Medical Campus is not limited to inpatient hospital operations. Since reopening in 2015, the County has also contracted with private for- and non-profit entities to oversee recuperative care, crisis residential treatment, and substance use disorder programs on the MLK Medical Campus. Additionally, DMH recently released requests for proposals that will ultimately outsource Mental Health Rehabilitation Center (MHRC) and Psychiatric Health Facility (PHF) services at MLK.⁴⁴

Despite receiving up to \$1.5 billion in public funding (up to \$939 million from LA County and up to \$550 million from state and federal sources)⁴⁵ since FY 2014, MLK-LA's CEO, Dr. Elaine Batchlor, has developed a coordinated media strategy to escalate a narrative that MLKCH will be forced to cease operations if it does not immediately receive additional government resources.⁴⁶ In response, the County Board of Supervisors unanimously approved an additional \$20 million distribution of taxpayer funds to MLK-LA on January 23, 2024 without a "comprehensive assessment of MLKCH's lines of business, revenue streams, and cost drivers to assess its longer-term financial outlook."⁴⁷

The MLK Medical Campus represents one of the most egregious examples of the County's willingness to outsource public services to private entities that exacerbate a race to the bottom by funneling taxpayer dollars to private contractors with little oversight. MLK-LA undoubtedly provides vital healthcare services to some of the most medically vulnerable Angelenos, but the Board continues to invest increasing levels of funding to an entity without the proper due diligence to ensure that the root causes of its financial hardship are resolved. Therefore, before allocating additional local funds to MLK-LA's operations, the County should conduct a comprehensive audit of MLK-LA's finances, as well as evaluate the long-term

social, economic, and environmental impacts of continuing to outsource the critical services provided on the MLKCH campus.

Beyond questionable fiscal oversight of inpatient hospital operations, MLK-LA's executive leadership team also exhibited anti-union bias when their employees began organizing with SEIU Local 721 in December 2020. Soon after workers started holding union meetings, signing union authorization cards, and engaging in public activities in support of unionization, high-level MLK-LA managers committed a slew of unfair labor practices (ULPs) in an effort to thwart their employees from forming a union. For example, MLK-LA management representatives made anti-union statements during employee huddles and 1:1 meetings, interrogated employees about their organizing efforts, removed flyers from bulletin boards, and in one instance, even confiscated a union flyer from an employee and threw it in the trash. After filing multiple ULPs alleging the above anti-union activities, the National Labor Relations Board (NLRB) negotiated a formal settlement between the two parties in January 2022.⁴⁸ Despite the NLRB's intervention, MLK-LA workers felt intimidated, harassed, and some found outside employment as a result of management's retaliatory actions.



RECOMMENDATIONS

Since FY 2014, Los Angeles County's spending on contracted services has ballooned by 94%. Annually spending billions of public dollars to privatize critical safety net services drives a race to the bottom for workers and communities throughout the region. SEIU Local 721 demands that the County Board of Supervisors:

- ▶ Sustain our communities by creating quality, union jobs – Los Angeles County and its Board of Supervisors must acknowledge privatization's disproportionate impacts on Black workers and women and must make great strides to rectify the effects it has on our communities. Rather than funneling taxpayer dollars to contractors that degrade standards across the board, the County must actively commit to and invest in a diverse public workforce by providing living wages, robust healthcare coverage, career development opportunities, and pathways to comfortable retirement. SEIU Local 721 calls on the Los Angeles County Board of Supervisors to urgently identify service lines to bring back under direct control, prioritizing those that could be performed by 721-represented classifications.
- ▶ Update and expand the Living Wage Program – Los Angeles County's Living Wage Program (LWP) currently only applies to contractors or subcontractors who have or will receive an aggregate sum of \$25,000 or more in County Proposition A and/or cafeteria services contracts.⁴⁹ In 2023, only 247 contractors or 3.5% of the total number of contract expenditures that year were subject to the LWP, so the majority of employees providing contracted services do not receive an enhanced wage. The LWP has not been updated since 2015 and despite acknowledging then that the LWP was not keeping pace with the local economy and increased costs of living, the current \$18.86 per hour minimum wage falls well below the \$48.92 hourly wage one study shows is required to rent a two-bedroom unit in the Los Angeles metropolitan area.⁵⁰ By limiting the LWP's application to Prop A and cafeteria services contracts, the County created a system that does not value work equally and only obligates a small fraction of contractors to compensate their employees fairly. The County must establish a more equitable LWP that not only applies to all service contractors, but also sets a minimum wage that is more reflective of the true costs of living in Los Angeles without public assistance.

- ▶ Address recruitment and retention challenges and expeditiously fill vacant positions – Los Angeles County’s consistently high vacancy rate manufactures a staffing crisis which creates an excuse to hire temporary public employees or contract out bargaining unit work to private contractors. The state legislature, through the introduction and passage of Assembly Bill 2561 (McKinnor) recently recognized that “job vacancies in local government are a widespread and significant problem for the public sector affecting occupations across wage levels and educational requirements,” ultimately leading to strains on public service delivery.⁵¹ Assembly Bill 2561 provides a meaningful opportunity for labor organizations and their members to engage with local officials to better understand and address recruitment and retention issues. The Los Angeles County Board of Supervisors and the County Chief Executive Officer must commit to expeditiously implementing the provisions of Assembly Bill 2561 by holding a public hearing on the issue.
- ▶ Implement new guardrails to ensure the responsible stewardship of taxpayer funding – Los Angeles County’s procurement and administration of service contracts is shrouded in deficiencies and unaccountability. As mentioned, the current system for producing cost analyses, determining cost effectiveness, monitoring contracts, and disclosing information is woefully opaque and overly complicated. To address these deficiencies, the County must adopt the following recommendations:
 - ▶ Incorporate and apply the revised OMB Uniform Guidance to all service contracts, regardless of funding source.
 - ▶ Implement the recommendations from Covington & Burling LLP’s independent investigation.
 - ▶ Produce cost analyses during the procurement process for all service contracts and subsequently update the report on a yearly basis to reflect any funding increases.
 - ▶ Expand the scope of cost analyses to include county administrative or ongoing expenses related to procurement or oversight, indirect expenses to public entities in the shape of elevated public assistance, environmental impacts, effects on employees and their families, and direct and indirect repercussions on the regional economy.
 - ▶ Pursue the creation of easily accessible resources that allow the public to track how taxpayer dollars are spent by the County, including forums for labor organizations and other community stakeholders to interface with County officials as contracting decisions are made.
 - ▶ Fully staff the Department of the Auditor-Controller and provide the resources required to increase capacity. Specifically, the Auditor-Controller’s office must perform financial and monitoring audits on a more regular basis, enhance its work scope to include on-site inspection of contractor service quality, as well as seek feedback from employees and the public on ways to improve service quality.

- ▶ Establish a countywide policy requiring all private entities awarded service contracts to maintain a Labor Peace Agreement - Public sector employment provides opportunities for upward mobility to the middle class, and extensive research supports the same is true of union membership. Evidence suggests that strengthening unions will improve the well-being of the middle class, that unionized workers earn 10 to 15 percent more than nonunionized workers in similar jobs, and unionized workers tend to be those in the middle of the income distribution.⁵² Therefore, rather than allocating public funds to unaccountable private entities that actively inhibit the rights of their employees to organize their union, like MLK-LA, the County should instead explore options to enact policies that will require private contractors to adopt Labor Peace Agreements, similar to local regulations in the hospitality⁵³ and building and construction trades⁵⁴ industries.



APPENDIX A: COMPOSITION OF ENTITIES BY NUMBER OF CONTRACT-RELATED ITEMS, 2022-2024

Entity Type, 2022-2024		
Entity Type	Agenda Items	# of Contracts
Non-profit	129	1028
Corporation	232	794
LLC	48	131
N/A	26	122
Individual	5	100
Public Entity	27	73
LP	2	7
LLP	3	4
General Partnership	2	1
Cooperative	1	1
Mix	62	
Grand Total	537	2,261

APPENDIX B: INCORPORATED LOCATION OF ENTITIES BY NUMBER OF CONTRACT-RELATED ITEMS, 2022-2024

Entity Location, 2022-2024		
Entity Location	Agenda Items	# of Contracts
CA	334	1,752
LA County		1424
San Bernardino County		39
Sonoma County		2
Contra Costa County		9
Santa Barbara County		3
Orange County		84
Stanislaus County		2
Riverside County		11
San Diego County		35
Sacramento County		12
Placer County		18
Inyo County		1
Alameda County		28
San Francisco County		24
Santa Clara County		5
Merced County		1
Ventura County		6
Yolo County		2
Butte County		5
San Mateo County		1
Solano County		1
PA		4
AZ		1
GA		1
TX		7
NY		3
SC		1
OH		7
TN		2
MI		1
WA		1
CO		1
NY		1

IL		7
CT		1
VA		1
Mix	74	
Non-CA	98	287
MI		4
DE		115
MO		10
UT		3
IL		9
GA		10
MS		0
TX		18
CO		12
MD		13
CT		1
WA		9
OR		0
IN		2
NY		21
SC		1
VA		5
NV		7
MA		6
ID		3
WV		2
WI		4
PA		9
TN		4
FL		6
NE		2
ME		1
NJ		3
NC		2
DC		1
AZ		2
IA		1
MN		1
Unidentified	31	222
Grand Total	537	2,261

APPENDIX C: SEIU LOCAL 721 BARGAINING UNIT (BU)
IMPACT ANALYSIS, FY 2023-2024

Type of Service Contracted Out	Total Expenditures	# Contract Expenditures	Possible 721 BU Classifications Contracted Out	Departments
Legal Entity (Specialty Mental Health Services)	\$1,346,011,736	363	ASST BEHAVIORAL SCIENCES CONSULTANT, ASST MENTAL HEALTH COUNSELOR (RN), BEHAVIORAL SCIENCES CONSULTANT, CHIEF,PSYCHOLOGICAL SERVICES, CHIEF RESEARCH ANALYST,BEHAVIOR SCI, CLINICAL PSYCHOLOGY INTERN, CLINIC DRIVER, CLINICAL PSYCHOLOGIST II, COMMUNITY SERVICES COORDINATOR I, II, COMMUNITY SERVICES COUNSELOR, COMMUNITY HEALTH WORKER, MENTAL HEALTH EDUCATION CONSULTANT, MENTAL HEALTH SERVICES COORD II, MEDICAL CASE WORKER I, II, MEDICAL RECORDS SUPERVISOR I, II, MENTAL HEALTH ADVOCATE, MENTAL HEALTH COUNSELOR (RN), NURSING ATTENDANT II, NURSE PRACTITIONER, PSYCHIATRIC TECHNICIAN II, III, RECREATION THERAPIST I, II, RECREATION THERAPY SUPERVISOR, RESEARCH ANALYST I, II, III,BEHAVIOR SCI, REGISTERED NURSE I, II, III, SOCIAL WORKER, SENIOR COMMUNITY WORKER, SUPERVISING PSYCHOLOGIST, SENIOR MENTAL HEALTH COUNSELOR (RN), SUBSTANCE ABUSE COUNSELOR, SUPERVISING PSYCHOLOGIST	DMH
Case Management	\$304,535,338	169	All AD, DHS, DPH, PD, DPSS, WDACS SEIU 721 BU classifications that do case management work	AD, DHS, DPH, PD, DPSS, WDACS
Social Services	\$302,569,659	262	All DPSS, DCFS, DHS, DPH, DPW, AD, and PD SEIU 721 BU classifications that do social services work	DPSS, DCFS, DHS, DPH, DPW, AD, PD
Alcohol & Drug Administration	\$298,075,594	197	SUBSTANCE ABUSE COUNSELOR, SUBSTANCE ABUSE COUNSELOR AID	DHS, DPH, DMH
Temporary Medical Personnel (MD/ Techs)	\$102,114,674	88	DHS, DPH, DMH, Fire SEIU 721 BU classifications	DHS, DPH, DMH, Fire
Temporary Personnel Services	\$87,388,283	67	DPH, DHS SEIU 721 BU classifications	DHS, DPH
HIV/AIDS	\$62,053,390	201	All DPH SEIU 721 BU classifications that do HIV/AIDS service work	DPH
Temporary Medical Services	\$59,672,395	17	DHS and DPH SEIU 721 BU classifications	DHS, DPH
Workforce Development Program	\$49,551,963	92	WDACS, DEO, and DHS SEIU 721 BU classifications	WDACS, DEO, DHS
Housekeeping	\$47,748,071	8	HOUSEKEEPER, CUSTODIAN, CUSTODIAN, NC, ELEVATOR OPERATOR, FLOOR CARE SPECIALIST, CUSTODIAN SUPERVISOR, CUSTODIAN WORKING SUPERVISOR, SENIOR CUSTODIAN SUPERVISOR,	DHS, DPH
Public Health	\$47,616,975	75	All DPH and DHS SEIU 721 BU classifications that do Public Health work	DPH, DHS
Custodial & related services	\$43,736,258	34	CUSTODIAN, CUSTODIAN, NC, ELEVATOR OPERATOR, FLOOR CARE SPECIALIST, CUSTODIAN SUPERVISOR, CUSTODIAN WORKING SUPERVISOR, SENIOR CUSTODIAN SUPERVISOR, HOUSEKEEPER	Library, ISD, TTC

DPW General Services Contracts	\$43,563,002	83	GENERAL MAINTENANCE WORKER, PUBLIC WORKS MAINTENANCE WORKER, SENIOR GENERAL MAINTENANCE WORKER, GENERAL MAINTENANCE SUPERVISOR, HEAD, BUILDING MAINTENANCE, PW, CONSTRUCTION & REPAIR LABORER, PUBLIC WORKS CREW LEADER, PUBLIC WORKS LABORER, WAREHOUSE WORKER I, II, III, IV, WAREHOUSE WORKER AID, WAREHOUSE MANAGER	DPW
Administrative Services	\$41,242,629	77	ADMINISTRATIVE AID, ADMINISTRATIVE ASSISTANT I, ADMINISTRATIVE ASSISTANT II , ADMINISTRATIVE ASSISTANT III, ADMINISTRATIVE ASSISTANT IV, ASSESS	HRD, CEO, DPW, DMH, DHS, P&R, Library, DEO
Temporary Nursing Personnel Services	\$36,965,166	44	CLINICAL NURSE SPECIALIST, NURSING ASSISTANT (SHERIFF), NURSING ATTENDANT I, II, III, NURSE PRACTITIONER, NURSING INSTRUCTOR, PUBLIC HEALTH NURSE, HLTH FACILITIES CONSULTANT, NURSING, REGISTERED NURSE I, II, III (SHERIFF), CLINIC LICENSED VOCATIONAL NURSE I, II, CLINIC NURSING ATTENDANT I, II, HEALTH FACILITIES EVALUATOR, NURSING, LICENSED VOCATIONAL NURSE I, II, III, NURSE ANESTHETIST II, NURSE ANESTHETIST-INSTRUCTOR, NURSE TRAINING CONSULTANT, NURSE-MIDWIFE, PROGRAM SPECIALIST, PUB HLTH NURSING, PUBLIC HEALTH NURSING SUPERVISOR, REGISTERED NURSE I, II, III, SENIOR NURSING INSTRUCTOR, RELIEF NURSE, SENIOR STUDENT WORKER,NURSING, STUDENT WORKER,NURSING, SUPERVISING CLINIC NURSE I, II, SUPERVISING STAFF NURSE I, II, SUPERVISING SURGERY NURSE I, II, UTILIZATION REVIEW NURSE SUPVR I, II	DHS, DPH
Dietary	\$36,329,837	7	ADMINISTRATIVE AID, CLERK, FOOD SERVICE WORKER, INTERMEDIATE FOOD SERVICE WORKER, COOK, SENIOR COOK, HEAD FOOD SERVICE WORKER, CHIEF COOK, NUTRITIONIST II, DIETITIAN, SENIOR BAKER, SENIOR CASH SYSTEM ANALYST, HEAD COOK	DHS
Fleet Maintenance Services	\$36,053,050	2	SHOP SUPT, PUBLIC WORKS, STAFF ASSISTANT 1, SUPVG CONTRACT PROGRAM MONITOR, ISD, POWER EQUIPMENT TECHNICIAN SUPERVISOR, POWER EQUIPMENT TECHNICIAN WORKING SUPERVISOR, BODY & FENDER MECHANIC WORKING SUPERVISOR, SENIOR TYPIST-CLERK, INTERMEDIATE TYPIST-CLERK, PROCUREMENT ASSISTANT 1, PROCUREMENT ASSISTANT II	ISD, Sheriff
Children Family Preservation Network	\$26,132,947	58	YOUTH WORKER, CHILDREN’S SERVICES, SUPVG CHILDREN’S SOCIAL WORKER, ELIGIBILITY WORKER I, II, III, ELIGIBILITY SUPERVISOR, CLERICAL ADMINISTRATOR,CHILD SERVS, CHILDREN’S SOCIAL WORKER III, ADOPTIONS ASSISTANT	DCFS
Mental Health	\$25,452,707	25	All DMH and Probation SEIU 721 BU classifications that do Mental Health work	DMH, Fire, DCFS
Temporary Nurse Personnel	\$25,052,075	24	DHS, DMH and DPH SEIU 721 BU classifications	DHS, DPH, Fire
Election Services	\$25,015,571	6	ELECTION ASSISTANT I, II, III, NC, ELECTION/RECORDER SERVICES SUPVR, HEAD, ELECTION & DOCUMENT PROC SERVS	RR
Child Assistance Program	\$23,794,418	22	YOUTH WORKER, CHILDREN’S SERVICES, SUPVG CHILDREN’S SOCIAL WORKER, ELIGIBILITY WORKER I, II, III, ELIGIBILITY SUPERVISOR, CLERICAL ADMINISTRATOR,CHILD SERVS, CHILDREN’S SOCIAL WORKER III, ADOPTIONS ASSISTANT	DCFS, Probation
Case Management Services	\$23,763,656	34	All DHS SEIU 721 BU classifications that do case management services work	DHS

Laboratory Contract	\$20,465,546	28	LABORATORY ASSISTANT, LABORATORY SUPPORT SUPERVISOR I, CLINICAL LABORATORY SCIENTIST I, II, SUPVNG CLINICAL LAB SCIENTIST I, II, BLOOD GAS LABORATORY TECHNICIAN I, II, CLINICAL LAB SCIENTIST INSTRUCTOR, CYTOLOGY LABORATORY TECHNOLOGIST I, II, LABORATORY EQUIPMENT SERVICE TECH, LABORATORY QUALITY CONTROL COORD, CLINICAL LABORATORY SCIENTIST I, II	DHS, DMH
Laboratory	\$20,465,546	28	LABORATORY ASSISTANT, LABORATORY SUPPORT SUPERVISOR I, CLINICAL LABORATORY SCIENTIST I, II, SUPVNG CLINICAL LAB SCIENTIST I, II, BLOOD GAS LABORATORY TECHNICIAN I, II, CLINICAL LAB SCIENTIST INSTRUCTOR, CYTOLOGY LABORATORY TECHNOLOGIST I, II, LABORATORY EQUIPMENT SERVICE TECH, LABORATORY QUALITY CONTROL COORD, CLINICAL LABORATORY SCIENTIST I, II	DHS, DMH
Hospital Primary Care Services	\$18,178,721	1	DHS SEIU 721 Primary Care classifications	DHS
Radiology Services	\$17,742,397	22	MEDICAL RADIATION PHYSICIST, RADIOLOGIC TECHNOLOGIST, RADIOLOGIC TECHNOLOGIST, SPEC PROC, RADIOPHARMACY TECHNICIAN, RADIATION THERAPY TECHNOLOGIST	DHS
Workforce Summer Youth Employment	\$17,029,639	17	STUDENT PROFESSIONAL WORKER I, II, STUDENT WORKER, COMMUNITY CENTER SPECIALIST II, COMMUNITY SERVICES ANALYST I, II, COMMUNITY HEALTH WORKER, SOCIAL WORKER	WDACS, DEO
Landscape Services	\$16,746,104	57	PUBLIC WORKS CREW LEADER, STAFF ASSISTANT III, GROUNDS MAINTENANCE SUPERVISOR, GROUNDS MAINTENANCE WORKER I, II, IRRIGATION & LAWN SPRINKLER FITTER, HEAVY TRUCK DRIVER, TREE TRIMMER, TREE TRIMMER WORKING SUPERVISOR, TREE SPRAYER, SENIOR GROUNDS MAINTENANCE WORKER, GROUNDS MAINTENANCE HELPER, TREE TRIMMER & PEST CONTROL COORD	DHS, DPW, P&R
Family Services	\$11,315,504	18	DCFS SEIU 721 BU classifications	DCFS
Food Services	\$7,752,659	4	ADMINISTRATIVE AID, CLERK, FOOD SERVICE WORKER, INTERMEDIATE FOOD SERVICE WORKER, COOK, SENIOR COOK, HEAD FOOD SERVICE WORKER, CHIEF COOK, NUTRITIONIST II, DIETITIAN, SENIOR BAKER, SENIOR CASH SYSTEM ANALYST, HEAD COOK	Probation, DCFS
Maintenance - Equipment	\$7,720,581	17	EQUIPMENT MAINTENANCE SUPERVISOR, BIOMEDICAL EQUIPMENT TECHNICIAN, ASST RADIOLOGY EQUIPMENT SPECIALIST, LABORATORY EQUIPMENT SERVICE TECH, RENAL DIALYSIS EQUIPMENT TECHNICIAN, SUPVG RENAL DIALYSIS EQUIPMENT TECH, COMPUTER EQUIPMENT OPERATOR, AUTOMOTIVE EQUIPMENT COORDINATOR	DHS, Sheriff, ME
Environmental Services	\$7,551,788	13	CONTRACT MONITOR, ADMINISTRATIVE ASSISTANT III, INTERMEDIATE TYPIST CLERK, PUBLIC WORKS MAINTENANCE WORKER, PUBLIC WORK CREW LEADER, GENERAL MAINTENANCE WORKER, GENERAL MAINTENANCE SUPERVISOR, POWER SWEEPER OPERATOR, TREE TRIMMER,	DPW
Transit Services	\$7,203,091	24	LIGHT BUS DRIVER, TRANSPORTATION & SERVICES SUPERVISOR, DISPATCHER 1,	DPW
Secretarial & Clerical Services	\$6,788,938	8	ACCOUNT CLERK I, II, PAYROLL CLERK II, SECRETARY I, II, III, TYPIST-CLERK INTERMEDIATE TYPIST-CLERK, SENIOR TYPIST-CLERK, HEAD, TRANSCRIBING SERVICES, SUPERVISING TRANSCRIBER TYPIST, TRANSCRIBER TYPIST	Probation, Fire

Services Agreements	\$6,633,736	5	PARKING LOT SWEEPER OPERATOR, PARKING LOT ATTENDANT, PARKING CONTROL OFFICER, SENIOR GROUNDS MAINTENANCE WORKER , GROUNDS MAINTENANCE WORKER II, GROUNDS MAINTENANCE WORKER I, GROUNDS MAINTENANCE HELPER, TREE TRIMMER & PEST CONTROL COORD, TRANSPORTATION TRUCK DRIVER, TRANSPORTATION & SERVICES SUPERVISOR, DISPATCHER	Library, ISD
Pharmacy Services	\$6,388,795	3	PHARMACY TECHNICIAN, PHARMACY HELPER, CONSULTING PHARMACOLOGIST, PHARMACY TECHNICIAN, RADIOPHARMACY TECHNICIAN	DHS, Fire
Medical Coding	\$5,215,977	19	HEALTH INFORMATION ASSOCIATE, HEALTH INFORMATION TECHNICIAN, HEALTH INFORMATION TECHNICIAN	DHS
Park Maintenance	\$4,841,893	20	TREE TRIMMER, TREE TRIMMER WORKING SUPERVISOR, TREE SPRAYER, SENIOR GROUNDS MAINTENANCE WORKER , GROUNDS MAINTENANCE WORKER II, GROUNDS MAINTENANCE WORKER I, GROUNDS MAINTENANCE HELPER, TREE TRIMMER & PEST CONTROL COORD	P&R
Nutrition Education	\$4,670,799	15	NUTRITIONIST I, II, DIETITIAN, NUTRITION PROGRAM COORD, PH PROG	DPH
HIV and STD Prevention Services	\$4,041,849	25	All DPH SEIU 721 BU classifications that do HIV and STD prevention services work	DPH
Dental	\$3,990,252	5	DENTAL LABORATORY TECHNICIAN, DENTAL LAB RADIOLOGIC TECHNICIAN C, DENTAL ASSISTANT, SPECIAL PROCEDURES, DENTAL ASSISTANT	DHS
Group Homes	\$3,784,270	4	ELIGIBILITY WORKER II, III, CHILDREN’S SOCIAL WORKER III, ELIGIBILITY SUPERVISOR, SUPVG CHILDREN’S SOCIAL WORKER, YOUTH WORKER, CHILDREN’S SERVICES	DCFS
Information Services	\$3,736,467	3	HEALTH INFORMATION ASSOCIATE, HEALTH INFORMATION TECHNICIAN, INFORMATION SYSTEMS ANALYST AID, INFORMATION SYSTEMS ANALYST I, II, INFORMATION TECHNOLOGY AIDE, SENIOR INFORMATION TECHNOLOGY AIDE, HEALTH INFORMATION MANAGER	DHS
Unique Agreement- Proposition A (Pharmacy Benefit)	\$3,730,587	1	PHARMACY TECHNICIAN, PATIENT RESOURCES WORKER, INFORMATION SYSTEMS ANALYST II, SENIOR APPLICATION DEVELOPER,	DMH
Laundry	\$3,439,640	7	LAUNDRY WORKER, SENIOR LAUNDRY WORKER, LAUNDRY SUPERVISOR I, LAUNDRY SUPERVISOR II, LINEN ROOM SUPERVISOR I, LINEN ROOM SUPERVISOR III,	DHS, Probation
Parking Services	\$3,201,437	4	PARKING LOT SWEEPER OPERATOR, PARKING LOT ATTENDANT, PARKING CONTROL OFFICER	DHS, B&H
Personnel Services	\$2,768,682	6	ELECTION ASSISTANT I, II, III, NC, ELECTION/RECORDER SERVICES SUPVR, HEAD, ELECTION & DOCUMENT PROC SERVS	RR
Graffiti Services	\$2,504,405	13	CONTRACT MONITOR, ADMINISTRATIVE ASSISTANT III, INTERMEDIATE TYPIST CLERK, PUBLIC WORKS MAINTENANCE WORKER	DPW

Janitorial Services	\$1,454,495	4	CUSTODIAN, CUSTODIAN, NC, ELEVATOR OPERATOR, FLOOR CARE SPECIALIST, CUSTODIAN SUPERVISOR, CUSTODIAN WORKING SUPERVISOR, SENIOR CUSTODIAN SUPERVISOR,	DPW
Information Technology Services	\$1,437,332	5	HEALTH INFORMATION ASSOCIATE, HEALTH INFORMATION TECHNICIAN, INFORMATION SYSTEMS ANALYST AID, INFORMATION SYSTEMS ANALYST I, II, INFORMATION TECHNOLOGY AIDE, SENIOR INFORMATION TECHNOLOGY AIDE, HEALTH INFORMATION MANAGER	DHS
Animal Control	\$1,269,811	6	ANIMAL CONTROL OFFICER I, II, III, IV, ANIMAL CARE ATTENDANT I, II	Animal Care & Control
Mowing Services	\$980,141	11	GROUNDS MAINTENANCE SUPERVISOR, SENIOR GROUNDS MAINTENANCE WORKER, GROUNDS MAINTENANCE WORKER I, II, CUSTODIAN, LIGHT TRACTOR OPERATOR	P&R
STD Prevention Services	\$926,611	1	All DPH SEIU 721 BU classifications that do STD prevention services work	DPH
Weed Abatement Tractor Contract	\$859,577	3	WEED & PEST ABATEMENT WORKER, SENIOR WEED ABATEMENT WORKER	ACWM
Language Services	\$601,700	16	HEALTHCARE INTERPRETER, INTERPRETER	DPH, DMH, DHS
Medical Transcription	\$582,999	7	MEDICAL TRANSCRIBER TYPIST, TRANSCRIBER TYPIST, SUPVG MEDICAL TRANSCRIBER TYPIST	DHS, DPH
Information Technology Support Services	\$472,731	4	HEALTH INFORMATION ASSOCIATE, HEALTH INFORMATION TECHNICIAN, INFORMATION SYSTEMS ANALYST AID, INFORMATION SYSTEMS ANALYST I, II, INFORMATION TECHNOLOGY AIDE, SENIOR INFORMATION TECHNOLOGY AIDE, HEALTH INFORMATION MANAGER	DHS
Professional Specialized Services	\$410,237	4	INTERPRETER, TRANSCRIBER TYPIST, HEAD, TRANSCRIBING SERVICES, SUPERVISING TRANSCRIBER TYPIST	Sheriff
Medical Reference Laboratory Services	\$182,815	1	All DPH BU laboratory classifications	DPH
Telephone Language Interpretation Services	\$104,000	10	HEALTHCARE INTERPRETER, INTERPRETER	DPH, DHS, DMH
Elevator/Escalator Repair Services	\$89,650	2	ELEVATOR OPERATOR	DPW
Language Services Master Agreements	\$55,051	3	HEALTHCARE INTERPRETER, INTERPRETER	DPH

Tree Trimming	\$7,859	8	TREE TRIMMER, TREE TRIMMER WORKING SUPERVISOR , TREE SPRAYER	DPW, B&H, ACWM
Ambulance Services	\$6,982	1	AMBULANCE DISPATCHER, AMBULANCE DRIVER, AMBULANCE MEDICAL TECHNICIAN	DHS
Family Development	-\$171,777	3	COMMUNITY HEALTH WORKER	WDACS
Total	\$3,321,618,908	2,411		

ENDNOTES

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- 7 In the Public Interest (2014). Race to the Bottom: How Outsourcing Public Services Rewards Corporations and Punishes the Middle Class.
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- 15 <https://data.lacounty.gov/apps/a6dbfb6fe51c47fdbd00637913f9bd17/explore>
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- 18 Legal Entity contracts provide specialty mental health services as described in Title 9 CCR section 1840.100. Services can include a variety of psychiatric, behavioral, and rehabilitative programs.
- 19 Institute for Policy Studies. (2022). Wielding the Power of the Public Purse Against Extreme CEO-Worker Pay Gaps. Institute for Policy Studies

20 United for ALICE. (2024). ALICE In The Nonprofit Workforce: A Study of Financial Hardship. <https://independentsector.org/wp-content/uploads/2024/09/24UW-ALICE-in-Nonprofit-Sector-final-9-4-24.pdf>

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22 The report is based on the survey responses of 1,038 non-profit employers in California.

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31 FY 2023 LA County Annual Comprehensive Financial Report.

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33 General Fund + Hospital Enterprise Fund

34 The Department of Economic Opportunity was created in 2022. It is a successor of the Workforce Development, Aging & Community Services.

35 Due to incomplete information received from Los Angeles County, our analysis is limited to FYs 2018, 2020, and FY 2023

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45 Public funding estimate derived from provisions of the lease MLK-LA maintains with Los Angeles County and a recent Board motion that approved an additional allocation of \$20 million in Measure B funds to MLK-LA. <https://file.lacounty.gov/SDSInter/bos/supdocs/84537.pdf> and <https://file.lacounty.gov/SDSInter/bos/supdocs/187854.pdf>

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51 https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2561

52 <https://home.treasury.gov/system/files/136/Labor-Unions-And-The-Middle-Class.pdf> - page 5

53 <https://file.lacounty.gov/SDSInter/bos/supdocs/161457.pdf>

54 <https://dpw.lacounty.gov/contracts/CommunityWorkforceAgreement/doc/LA-County-Countywide-CWA-Agreement.pdf>





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