

January 4, 2004

**BY HAND DELIVERY**

Office of the Attorney General  
1300 I Street  
Sacramento, CA 95814

Attention: Trisha Knight, Initiative Coordinator

Re: The Fair Competition and Taxpayer Savings Act

Dear Ms. Knight:

Pursuant to Elections Code section 9002, we request that the Attorney General prepare a title and summary of a measure entitled "The Fair Competition and Taxpayer Savings Act." The text of the measure and a check for \$200.00, are attached. All proponents have signed this request. The addresses at which we are registered to vote is also attached on a separate piece of paper which we understand will not be made available to the public consistent with law.

Please direct all correspondence and inquiries regarding this measure to:

James V. Lacy  
Wewer & Lacy, LLP  
30011 Ivy Glenn Dr., Suite 223  
Laguna Niguel, CA 92677  
Phone: 877-449-2700  
FAX: 949-495-3314

Sincerely,

Tony Strickland

Shawn Steel

**RECEIVED**  
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INITIATIVE COORDINATOR  
ATTORNEY GENERAL'S OFFICE

SECTION 1: Title.

This measure shall be known and cited as the Fair Competition and Taxpayer Savings Act.

SEC. 2. Findings and Declarations.

(a) The Legislature in 2002 passed Senate Bill 1419, and Governor Gray Davis signed it into law, prohibiting school districts from contracting with private enterprises to perform services such as transportation, janitorial services and security guards even though it is often less expensive to contract out for those services than to hire and supervise additional personnel to perform them.

(b) Senate Bill 1419 was supported by public employee unions, whose members would be employed in school district jobs. Public employees unions have given millions of dollars in campaign contributions to legislators.

(c) When government agencies are prohibited from using the most cost-efficient means of performing services, taxpayer dollars are wasted and other government services suffer.

(d) For example, prohibiting school districts from contracting with private companies to provide needed services results in funds that are urgently needed in classrooms instead being diverted to other purposes.

(e) Voters have previously expressed a desire to maintain the ability of governmental entities to contract with the private sector. For example, in 2002, the voters overwhelmingly approved Proposition 35, which clarified the right of governmental entities to contract with the private sector for engineering and architectural services for highways, transit and other public works projects.

(f) This measure would extend the same common sense principle to other public services. It does not require public entities to contract with the private sector, but merely allows governmental decision makers to do so if they believe it is best for the agency and for taxpayers.

(g) This measure would prevent the Legislature from encroaching on the right of schools, cities, counties, transit districts and other public agencies to seek the most efficient means of performing public services, while protecting public safety.

(h) This measure could avoid the waste of hundreds of millions of dollars thereby freeing up money to support other public services and boosting the California economy. For example, the legislature estimated that the passage of Senate Bill 1419 would result in unknown but major ongoing costs of potentially several million dollars annually. This measure will help recoup those costs, and similar costs for other public entities, and ensure they are available for important public purposes.

### SEC. 3. Purpose and Intent.

In enacting this measure, it is the intent of the people of the State of California to guarantee the right of all public entities, including schools, cities, counties, transit districts and state agencies, to competitively contract with private enterprises in order to perform public services in the most cost effective and efficient manner.

### SEC. 4. Article XXIII is added to the Constitution to read:

Sec. 1 Notwithstanding the provisions of Article VII, the State of California and all other governmental entities, including, but not limited to cities, including charter cities, counties, including charter counties, cities and counties, school districts and other special districts, local and regional agencies and joint power agencies, shall be allowed to contract with qualified private entities and individuals to perform any service, except police and fire protection services, provided the governing body, in the case of local governmental entities, and the board, commission, secretary or director, in the case of state entities, determines in their sole discretion that under the circumstances then present the public interest will be better served through contracting with the private sector.

Sec. 2. Police and fire protection services, like air support services, that previously were performed by private entities may continue to be performed by private entities.

SEC. 5. In the event this measure and another measure or measures relating to the authority of state and local governmental entities to contract with the private sector shall appear on the same statewide election ballot, the provisions of the other measures shall be deemed to be in conflict with this measure. In the event that this measure shall receive a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other measures shall be null and void.