



DRAFT Summary of California Forward Framework (5/10/11)

California Forward's framework, "Smart Government: Making California Work Again" is predicated on principles developed by the organization's Local Government Task Force, a group of current and former city and county officials. However, as outlined below, the framework proposes substantial impacts to the core services provided by special districts. The *CSDA NOTES* are added for clarification purposes and do not necessarily reflect the position of CSDA nor the intent of California Forward.

Draft Proposal 1: Statewide Performance Outcomes

- The state would prioritize outcomes including, increased employment, improved education, decreased poverty, decreased crime, and improved health (p.6).
- Special districts and other local governments would be required to develop a five-year strategy for achieving indicators of success for these outcomes in consultation with the state, and would present them to a regional Council of Governments (COG) (p.6).
 - *CSDA NOTE: As currently comprised, COGs rarely include representation of special districts; they consist of city and county representatives and mostly focus on transportation funding. This note applies to proposals 4 and 5 as well.*
- Progress made by special districts and other local governments toward achieving the "indicators" would be reviewed annually during the state budget process and quarterly at the state departmental level (p.7).

Draft Proposal 2: Revenue Realignment

- Would restructure the state's fiscal system by establishing a statutory and constitutional legal construct that changes the program authority, tax structure, and revenue authority for special districts and other local governments (p.8).
- Special districts and other local governments would be required to regularly publish agency report-cards detailing their funding allocation, how it was spent, and program outcomes.
 - *CSDA NOTE: The framework does not specify the extent to which this function is already accomplished for special districts and cities through municipal service reviews conducted by local agency formation commissions.*
- The sales tax would be broadened with a portion of the revenue transferred to counties for countywide services and education (p.9).
- Special districts and other local governments would be given the authority to enter into "revenue-sharing agreements" in an effort to clarify the links between service responsibility and resources; the state would use a portion of state appropriations to encourage these service integration efforts (p.10).
 - *CSDA NOTE: The framework does not specify that these agreements would require the approval of each participating local agency.*
- A portion of the annual growth in property tax revenues (a property tax increment) could be given to counties to use to encourage collaboration (p.11).
 - *CSDA NOTE: Presumably, this fund would be similar to the redevelopment property tax increment authority currently under review by the Governor and Legislature. Would those agencies delivering core local services spend local property tax dollars more efficiently and with more accountability than creating a new pot for special projects, allocated by a different layer of government?*
- A region-wide sales tax, a portion of the vehicle license fee, and a portion of the growth on state business taxes could be provided to local governments as a fiscal incentive to address regional infrastructure, environmental, and workforce issues (p.11).

- *CSDA NOTE: The framework does not specify who would control and allocate these revenues, nor whether special districts, which often operate in a regional manner and are able to cross the political boundaries of cities and counties, would be eligible for the funding.*

Draft Proposal 3: The State Role in Local Government

- The state would establish outcomes for state programs, incentivize collaboration among local programs, provide encouragement, serve as a convener of peer-to-peer technical assistance, quantify savings to the state, streamline regulations, act as an advocate on behalf of local governments before Congress, and focus the state budget on improved performance (p.13).
- Cities, counties, and schools would be allowed to retain local savings as a result of these efforts (p.13).
 - *CSDA NOTE: While many of the reporting and collaborating requirements appear to apply to special districts, the framework excludes special districts from retaining the savings that may result from these efforts. It is not clear if special districts should be excluded from the requirements or included in the retention of savings.*

Draft Proposal 4: Regional Collaboration

- Regions would be authorized to expand COGs to include all of the governmental entities in a region involved in achieving the “Big Five” outcomes, including special districts (p.15).
 - *CSDA NOTE: COGs are already authorized to include special districts and other local agencies, yet most choose not to. The framework does not specify if COGs would be required to include all interested local agencies as full and equal members.*
- COGs would be designed locally under a uniform statewide set of statutory authorities that would give them the power to provide regulatory, fiscal, and other incentives to encourage cooperation among local government entities to meet regional needs (p.15).
- Special districts and other local governments would be required to report to COGs, which would review their strategies for achieving statewide outcomes and incentivize their progress (p.15).
 - *CSDA NOTE: The framework does not specify the extent to which this function is already accomplished for special districts and cities through municipal service reviews conducted by local agency formation commissions.*
- COGs would encourage special districts and other local governments to connect with the educational system and workforce needs of the regional economy (p.15).

Draft Proposal 5: Encouraging Consolidation and Integration

- Would establish a process between Local Agency Formation Commissions (LAFCOs) and COGs to present standardized data on the quantity, cost, and effectiveness of local governments in the region (p.17).
 - *CSDA NOTE: As currently comprised, do COGs have the staff, representation, or expertise, as LAFCOs do, to effectively, accurately, and fairly perform these tasks?*
- LAFCO reviews would include regional analyses of the number of jurisdictions in each region, their boundaries, the role of each agency in the jurisdiction, these agencies’ goals and results, and identify any opportunities for consolidation (p.17).
 - *CSDA NOTE: LAFCOs currently perform many of these functions.*
- Would create a new statewide commission on consolidation to review California’s local government structure and identify opportunities to consolidate local agencies, regionalize services and amend state laws concerning these policies.
 - *CSDA NOTE: The State Legislature has appropriately established LAFCOs, rather than COGs or a statewide commission, as the proper body for reviewing local services. To what extent does this proposal respect local control and local preferences and approaches?*