

August 21, 2009

Major Reform Efforts Move Forward

Over the last several days, two efforts to make major changes to California's government structure have taken important steps forward. In the first, California Forward sent an open letter to Governor Schwarzenegger and legislative leaders outlining their much-anticipated plan for reforms. In the second, the California Attorney General's office issued titles and summaries for two citizen initiatives that would allow the citizens to call a Constitutional Convention, actually call the Convention, and govern the structure of a Convention; the proponents may now begin collecting signatures.

California Forward

California Forward, a bipartisan group backed by major foundations, has been working now for a year and a half to gather input from a wide array of Californians and put together a comprehensive package of reforms to the state's budget and fiscal system, the state's governance system, and the relationship between the state and local governments. In a letter last week addressed to the Governor and the legislative leadership, the group finally outlined that plan. A PDF copy of the letter is [here](#).

The 11-point plan includes strong language to protect local revenues from the state by giving locals "legal ownership of specific funds." It would also implement a way for locals to redistribute property taxes among themselves. Another item would "allow cities, counties and school officials who [collaboratively] craft long-term flexible plans to address community needs, to seek majority-vote approval to provide funds to pay for them, while retaining the vote thresholds established under Proposition 218."

One element that is sure to spark significant debate is the effort to lower the legislative vote threshold for passing the budget to a majority, while leaving intact the 2/3 legislative vote requirement for raising taxes. The letter takes pains to point out that this reform would only be adopted in conjunction with other fiscal reforms that limit certain types of spending.

Other provisions in the California Forward plan would slightly alter legislative term limits, require one-time use of one-time revenues, base the state's budgets on results, and require new programs to identify their funding sources.

The strongly bipartisan group has long planned to first give the Legislature a chance to place these proposals on the ballot, which would require a 2/3 vote of each house. However, failing that, they are also prepared to gather signatures to put the reforms up for election as citizen initiatives.

California Forward has not yet made specific language available, but counties can find out more about the group and its plan, along with endorsement forms and other information, at www.caforward.org.

Constitutional Convention

While the Bay Area Council, a business-sponsored, public policy advocacy organization, is the group that initially ignited interest in calling a Constitutional Convention, another group has beaten them to the punch of actually filing initiatives with the Secretary of State. That group is called the California Action Network, or CAN, and seems to have been created specifically for this purpose. Gathering information about CAN besides what is presented on their Web site is difficult, because the site (www.californiaactionnetwork.com) neither names any members of the group, nor gives any contact information besides a San Francisco street address.

The measures' titles and summaries are [here](#) (allows voters to call a Convention) and [here](#) (calls a Convention and governs its structure), and the text of the respective measures are [here](#) and [here](#). To qualify them for the ballot, the proponents will have to gather and submit nearly 700,000 valid signatures by January 11, 2010.

The measures contain some surprising details. For example, the election of the 400 delegates that would serve in the Convention would have to take place on "open voting systems," but no open voting systems are currently certified by the Secretary of State or by the federal government. One company does have a system pending approval at the federal level.

The candidates to become delegates could only use public financing; anyone found to break this rule would be disqualified. Within three or four months of the election of delegates, and before the winners are publicly announced, the California Highway Patrol would gather up the winners and transport them to the Asilomar Conference Center in Pacific Grove. They would be sequestered there until their work was done, though the delegates collectively would have subpoena power. The purpose of these provisions is to shield the delegates from any lobbying. The Convention would be closed to the public, but all proceedings would be recorded for posterity.

The other group exploring a Constitutional Convention, Repair California (www.repaircalifornia.org), continues to hold town hall meetings around the state. They have not yet filed any ballot measures with the Secretary of State.

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August 13, 2009

Governor Arnold Schwarzenegger
Senate President Pro Tempore Darrell Steinberg
Senate Republican Leader Dennis Hollingsworth
Assembly Speaker Karen Bass
Assembly Republican Leader Sam Blakeslee

Governor and Legislative Leaders:

We write today as Californians deeply concerned about the future of our state.

Over the last 18 months, *California Forward* has engaged citizens from every corner of the state in a vibrant civic conversation about how to get California back on the right track. Simply put, we've come together as citizens to develop a plan that will make our government work again.

California remains a beacon of innovation, opportunity and diversity. But we all must recognize that our government hasn't kept pace, and the global economic crisis has pushed our outdated methods right to the breaking point.

Our goal – shared by thousands of active supporters – is fundamental change: government that's small enough to listen, big enough to tackle real problems, smart enough to spend our money wisely in good times and bad, and honest enough to be held accountable for results.

We've examined dozens of policy options, culling the very best practices from our own communities and from states across the country. We've found – as you have – that California lacks many of the tools other states are using to better manage themselves in these challenging times.

Some of our proposals are controversial. Some have been attempted before, defeated by powerful forces that view every idea through the prism of their own narrow interests.

We believe that now is the time for bold and decisive action to get California back on track. We submit to you our findings and recommendations about how to renew California's leadership:

- Our plan gives our state's budget and fiscal systems the overhaul they desperately need – so we finally get responsible budgets on time.
- It gives the people we elect the tools to do their jobs right – and holds them accountable for results.
- And our plan calls for fundamentally rethinking the relationship between state and local government, with a strong preference for government that's closer – and more responsive – to the people.

We've drafted Constitutional and statutory language to enact each portion of our proposals, which we summarize below:

Responsible Budgets on Time

1. **Pay-As-You-Go.** Require that new programs identify a funding source for any new spending they require.
2. **Base Budgets on Results.** Require the Governor and lawmakers to set clear goals for programs, measure their results and effectiveness when making budget decisions, monitor performance to improve efficiency, and consider eliminating outdated and duplicative programs.
3. **Two-year Budget.** Require the Governor and Legislature to craft two-year budgets with midcourse correction authority, and provide long-term revenue forecasts and capital investment plans.
4. **One-Time Use of One-Time Revenues.** Reduce future budget shortfalls by prohibiting the use of unexpected spikes in revenues to increase spending on programs that continue year after year.
5. **Reduce the Budget Vote Requirement.** Reduce the likelihood of budget stalemates by changing the legislative vote requirement for state budget approval to a simple majority (to be adopted in conjunction with the plan's other fiscal reforms, and while retaining the two-thirds majority vote requirement for tax increases).
6. **Provide Certainty Regarding Passage of Fees.** Clarify the circumstances in which the Legislature and the Governor can impose fees without a two-thirds majority vote to those areas with a clear and justifiable nexus to the service provided.

Government that's Closer to the People

1. **Protect Local Revenue.** Give communities more control over community-related services and prevent the state from siphoning off local revenue by giving local governments legal ownership of specific funds for community services.
2. **Remove Barriers to Local Government Coordination.** Encourage community-level governments to coordinate; consolidate districts when this makes sense; and, if there is agreement among the local governments that receive the property tax, to reallocate those taxes to match contemporary priorities and to improve efficiency and results.
3. **Foster and Fund Long-Term Regional Collaboration.** Allow cities, counties and school officials who craft long-term flexible plans to address community needs, to seek majority-vote approval to provide funds to pay for them, while retaining the vote thresholds established under Proposition 218.

Constituent Access and Accountability

1. **Term Limit Reform.** Reducing the total time newly-elected state legislators are allowed to serve from 14 years to 12 years, regardless of whether the time is spent in the Assembly or Senate.
2. **Constituent Access and Accountability.** Requiring legislators to spend part of every year in their district, in consultation with constituents and local leaders.

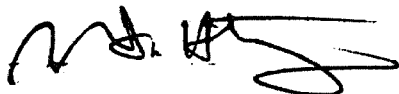
We are heartened that each of you has expressed interest in pursuing the kinds of reforms we believe are needed now, and we stand ready to work with you in pursuit of these goals.

We are eager to share with you the results of our efforts, the best thinking of many Californians, and the many options we explored in achieving consensus on this package. Our hope is that providing you with this framework will give you every opportunity to deliberate on these issues, and place before voters a comprehensive reform package in time for the next general election.

At the same time, we are mindful of the urgent need for action – as well as our own commitment to the many Californians who have joined our call for comprehensive reform now, whether it comes through legislative action or through the initiative process.

Thank you for your thoughtful consideration of these proposals.

Very truly yours,



Robert Hertzberg, Co-Chair
California Forward



Thomas V. McKernan, Co-Chair
California Forward

CC: All Senators and Assemblymembers

Date: August 14, 2009
Initiative 09-0018

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

CHANGES CONSTITUTION TO ALLOW VOTERS TO CALL A CONSTITUTIONAL CONVENTION WITH AN INITIATIVE. INITIATIVE CONSTITUTIONAL

AMENDMENT. Amends the Constitution to permit voters to call a convention to write a new state Constitution by passing an initiative. Requires that such an initiative (1) prohibit all outside contact with convention delegates and staff during the convention; (2) prohibit the announcement of delegate names until after the convention begins; (3) require approval of only a simple majority of voters to adopt the convention's proposed new constitution; and (4) identify how new constitutional officers will be elected after voters approve a new constitution. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: No direct fiscal impact, as any effect would depend on whether and how voters used the power to call and accept the recommendations of a constitutional convention in the future. Potentially major fiscal changes in state and local governments could result. (09-0018.)

Date: August 14, 2009
Initiative 09-0019

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

CALLS A CONVENTION TO DRAFT NEW STATE CONSTITUTION. INITIATIVE

CONSTITUTIONAL AMENDMENT. Requires special election to elect 400 convention delegates. Closes convention to public and prohibits all outside contact with delegates. Allows simple majority of convention delegates to propose changes to any part of Constitution.

Requires a special election to adopt or reject convention's proposed new constitution, and requires a special election of new constitutional officers after adoption. Requires use of public money for campaign financing for all convention delegate candidates, convention fees, compensation for delegates and staff, and new statewide voting systems for three elections.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: This measure would have the following major fiscal effects: Direct, one time increase of state and local government spending on the hundreds of millions of dollars related to the constitutional convention. Potentially major fiscal changes in state and local governments if voters approve the convention's recommendations, including higher or lower taxes or greater or less spending on particular public programs. (09-0019.)