



CSAC PRINCIPLES FOR REFORM 2010

Preamble

California counties join the chorus echoing across the state: California government is broken. The status quo is unacceptable.

Counties in particular have firsthand experience with a dysfunctional state administration and legislature because of our uniquely close relationship with the state. Over the years, counties have developed a fundamental lack of trust in the state. Whether considering mandates, realignment, new laws or regulations, or jointly administered programs, counties generally cannot rely on the state to engage in a meaningful dialogue as to county impacts, views, or concerns. Too often, the state has proven to be an untrustworthy partner.

California counties want to establish a functional relationship with the state that allows us all to provide government services to Californians efficiently and effectively. To fail to do so is to concede that government should remain broken.

In order to better manage the relationship between the state and counties — a goal that county leaders believe will result in better outcomes for all Californians — the California State Association of Counties offers a set of principles to guide discussions on reform options. These principles are intended to provide a county focus to those endorsed by the Cities Counties Schools (CCS) Partnership. The CSAC Reform Principles for 2010 are meant to work in concert with the CCS principles and to facilitate conversations among county officials, members of the Legislature and Administration, and reform stakeholders; they are grounded in core county tenets including, principally, local control.

Principles

→ **Reforms should align responsibility with authority among state and local governments.**

Government works best, and is most accountable and transparent, when program responsibility is aligned with funding authority and service delivery. Programs jointly administered by the state and counties should be adequately funded to appropriately meet state and federal requirements. If adequate funding is not provided by the state, the state should adjust statutory requirements; federal penalties or other liabilities that result must be the state's responsibility. Any future realignment of programs and services between counties and the state should ensure a new, stable and ongoing statewide revenue source that can sufficiently fund programs or services equitably across all counties with maximum administrative flexibility and solid accountability. Counties have a unique

- Align authority and responsibility
- Match service to funding level or adjust expectations
- Ensure future program realignments (1) are supported by Identify new, stable, and adequate revenue source and (2) provide maximum program flexibility

relationship with the state in providing many services, but counties must also be free to run and adequately fund programs and facilities that are local priorities, as well as adapt state services and delivery operations to match local conditions. To that end, local revenue raising authority should include the ability to approve new or increased revenues to fund local services with less than two-thirds voter approval. Furthermore, mandated programs should be paid fully and in a timely manner and the process for mandate determination and claiming should be streamlined.

- Reduce threshold for raising local revenues to less than two-thirds
- Pay mandates timely and streamline process
- Revisit state's tax and fee structure
- Allocate funds based on program responsibilities

California's tax and fee structure should be evaluated with a focus on the interconnectivity and system responsibilities between state and local governments. Revenue allocations should reflect program and service responsibilities among different levels of government, particularly in such areas as transportation, health, and the criminal justice system.

→ **Reforms should result in responsible and transparent decisions in state government.**

The Legislature must focus on oversight and review of state programs, services, and fiscal choices in order to ensure that programs and services are meeting the Legislature's goals and objectives and are cost-effective. Fiscal review of legislative measures should include thorough analysis and consideration of all costs to local governments before legislative approval. Open and public hearings that include input from interested parties and appropriate time for review of legislative proposals will help reestablish trust between the public and the Legislature. The budget process, in particular, should be timely, transparent, and inclusive.

- Enhance legislative oversight of programs, services, and fiscal choices
- Require thorough fiscal review of legislative measures including all costs to local government before approval
- Establish open, public process for legislative and budget matters

→ **Reforms should reestablish accountability and responsibility between California residents and their elected leaders.**

State fiscal decisions should be made with a long-term view and include prudent reserves that allow for appropriate annual funding of jointly administered programs while also ensuring that existing debts are paid in a timely manner. Voter-approved initiatives and legislative measures that impose new net costs should include provisions that sufficiently fund those costs. Legislative term limits must change to allow legislators to develop greater experience and expertise in a particular subject and to allow for appropriate legislative oversight and review of the efficacy of state operations.

- Expand planning and decision-making horizon for fiscal choices
- Require initiatives and legislative measures to have a sufficient, identified funding source
- Adjust legislative term limits