

## **California State Constitutional Amendments and Institutional Reforms Package March 11, 2010**

**I – Budget and Local Government Fiscal Reform:** Immediately begin moving through the legislative process a constitutional revision (and related bills) that improves the state’s budget process and enhances local government’s ability to fund and implement a local “strategic action plan” for community priorities.

***Budget reform elements would include:***

- A majority vote threshold for the Legislature to pass a budget and related trailer bills.
- Forfeiture of legislative pay and per diem if a budget is not passed on time (by June 25<sup>th</sup> each year).
- Authority for the Governor to reduce spending in the budget act if the Legislature does not pass a measure to address a fiscal emergency with 45 days of such an emergency being called.
- Limiting the use of “non-recurring” or “one-time” revenue for one-time purposes.
- Establish performance standards for state programs and review them at least once a decade. Develop and track outcomes through the budget process.
- Require a 2/3’s vote for a fee that replaces an existing tax.
- Commencing 2014-15, require the Governor to utilize performance-based budgeting methods in his annual Budget Act proposal.
- Institute “Pay-Go” in California to require lawmakers to identify funding sources for bills that cost the state at least \$25 million per year.
- Require the Governor’s initial budget submission each year to include multi-year projections of revenues and expenditures.

***Enhanced local government authority would include:***

- Authority for counties that adopt a “Countywide Strategic Action Plan” to increase by up to one cent the local sales tax with a majority vote of the voters voting on the measure.
- Funds would be allocated to cities and the county, pursuant to the adopted plan, to invest in community priorities.
- Half of the revenues would be shifted to local schools.
- The duration of the sales tax increase would be 10 years, unless a majority of voters agree to extend the tax.
- Prohibition on the state borrowing, transferring or reallocating local property taxes or redevelopment funds.
- Convene a bipartisan, bicameral committee on state-local program and fiscal realignment to marry the fiscal reforms with the appropriate assignment of program responsibilities to state and local governments.

**II - Initiative Reform:** End “ballot box budgeting” which has contributed to California’s dire fiscal situation. Pass a pending constitutional amendment to ensure initiatives placed before the people pay for themselves:

- **SCA 14 (Ducheny):** Requires statewide initiative measures to identify a funding source for any new associated costs (Ashburn Co-author). Now pending on the Senate floor.

**III - Legislative Process Reform:** Enhance the legislature’s oversight function to ensure laws are being implemented as intended, state agencies are performing their duties efficiently, and services are being provided in a manner that meets citizen expectation. Reduce the number of bills to be introduced by each Member during a two-year session, commencing with the 2011-12 Legislative Session.

- Use the budget process, the interim and available time during the legislative year to have policy and fiscal committees conduct oversight hearings. Focus on state agency performance, bill implementation, and special issues that arise from time to time.
- For 2010, release the schedule for policy and fiscal committee oversight hearings in the Assembly and the Senate.
- Require committee chairs and vice chairs to set a short list of committee priorities and report these to leadership (so leaders can take these into account when setting institutional priorities, and hold chairs accountable for performance during session).
- Re-invigorate the Sunset Review process in the Senate by better coordinating review between the Senate Rules Committee and the Senate Business and Professions Committee. During 2010, more than a dozen existing boards and commissions should be reviewed for their performance and effectiveness in serving the public interest. Appointees to head boards and commissions will be held accountable for performance through the Senate’s confirmation process.
- Performance review of boards and commissions (Assembly)
  - Rename the Committee on Business and Professions to be the Committee on Business, Professions, and Consumer Protection.
  - Establish a standing Subcommittee on Oversight and Performance Evaluation, chaired by Assemblymember Hayashi with vice-chair Assemblymember Emmerson.
  - During 2010, the subcommittee and full committee will review more than a dozen existing boards and commissions for their efficiency and effectiveness in serving the public interest. The subcommittee will make recommendations regarding the continuation or termination of these boards and commissions along with recommendations for improving their performance.
- The Senate and Assembly will reduce by 1/3 the number of bills Members may introduce commencing with the 2011-12 Legislative Session. Up to 2 bipartisan-authored bills will be exempted from the new bill limit. Fewer bills allow more time for policy committees to focus on enhanced oversight activities.

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