

AMENDED IN ASSEMBLY MARCH 17, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1638

Introduced by Committee on Budget (Evans (Chair), Arambula, Beall, Blumenfield, Brownley, Carter, Chesbro, De La Torre, Feuer, Hernandez, Hill, Huffman, Monning, Ruskin, and Swanson)

January 11, 2010

~~An act relating to the Budget Act of 2010. An act to add Section 42246 to the Education Code, and to add Section 6537 to the Government Code, relating to local governments.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1638, as amended, Committee on Budget. ~~Budget Act of 2010.~~
Local governments: revenue.

Existing law requires the county superintendent of schools to determine a revenue limit for each school district in the county. The amount of a school district's revenue limit funding is determined based, in part, on the number of units of average daily attendance. The Superintendent of Public Instruction is required to apportion to each school district the amount of revenue limit funding calculated pursuant to specified formulas minus, among other things, the amount of property taxes received by the school district. The Joint Exercise of Powers Act authorizes 2 or more public agencies, by agreement, to exercise any power common to the contracting parties.

This bill would, in conjunction with and only upon the approval by the voters of Senate Constitutional Amendment No. _____, authorize local governmental entities to develop and implement a Countywide Strategic Action Plan to jointly use existing and additional resources

to ensure progress toward common community goals. This bill would also authorize, under specified conditions, including, but not limited to, the adoption of a Countywide Strategic Action Plan, a county governing board to place before the voters an increase of up to an additional \$0.01 in the sales and use tax to be distributed pursuant to the adopted plan. This measure would prohibit the amount of a school district’s revenue limit funding from taking into account any revenue received by the school district from property taxes, specified local sales and use taxes, or any taxes imposed pursuant to a Countywide Strategic Action Plan.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2010.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. *This act shall be known and may be cited as the*
- 2 *Community Funding Protection and Accountability Act of 2010.*
- 3 SEC. 2. *The Legislature finds and declares all of the following:*
- 4 (a) *Residents are best served when state and local governmental*
- 5 *entities are directly accessible and accountable to the people.*
- 6 (b) *Local or community governments are closer to the people,*
- 7 *and therefore best suited to provide community-level services,*
- 8 *including, but not limited to, schools, police and fire protection,*
- 9 *and services that protect the most vulnerable members of society.*
- 10 (c) *Providing a quality education to our children is an*
- 11 *investment in the future of this state, and therefore, providing and*
- 12 *protecting funding for public schools is vital to the future of our*
- 13 *state.*
- 14 (d) *Californians are a people on the move, and protecting*
- 15 *funding for local road, highway, and transportation repairs*
- 16 *encourages communities to make measurable improvements to*
- 17 *mobility that are critical to providing jobs and restoring the*
- 18 *economic vitality of our state.*
- 19 (e) *Support for essential community services has been*
- 20 *jeopardized when the state has borrowed or redirected locally*
- 21 *levied funds, denying communities the stable funding they need to*
- 22 *provide local services.*

1 (f) Now is the time to protect funding for local services and give
2 communities new tools and resources to set their own priorities
3 and chart their own paths for the future.

4 (g) Declaring these funds to be owned by the local governments
5 that levy them will protect these revenues from arbitrary action
6 by state officials, thereby protecting funding for vital local services,
7 including schools, public safety, and transportation.

8 (h) Community governments within regions should be
9 encouraged to coordinate efforts to address community needs and
10 priorities, and to work together toward common goals.

11 (i) Community governments should be authorized to develop a
12 strategic plan that establishes goals, improves outcomes, and
13 provides the resources necessary to accomplish these goals.

14 (j) Greater local control over revenue should be tied to
15 increased accountability for results, requiring local governments
16 to become more efficient and effective to reduce waste of taxpayer
17 dollars.

18 (k) To promote efficiency, effectiveness, and accountability in
19 local governments, the Community Funding Protection and
20 Accountability Act of 2010, in conjunction with Senate
21 Constitutional Amendment No. ____ (2010), is intended to do all
22 of the following:

23 (1) Authorize local governmental agencies to develop a
24 Countywide Strategic Action Plan that establishes goals, increases
25 efficiency, and improves the outcomes of local services.

26 (2) Provide an incentive to local governments, along with the
27 necessary resources, to coordinate their efforts by authorizing
28 counties to levy sales and use taxes with the approval of a majority
29 of local voters.

30 (3) Protect local governments from the state borrowing or
31 redirecting locally levied funds so local governments have stable
32 revenues to provide community services.

33 (4) Require local governments to publicly report the results of
34 implementing their strategic plans annually so that they are
35 accountable to taxpayers and voters.

36 SEC. 3. Section 42246 is added to the Education Code, to read:

37 42246. (a) A school district's receipt of a portion of any
38 property tax, Bradley-Burns Uniform Local Sales and Use Tax
39 Law (Part 1.5 (commencing with Section 7200) of Division 2 of
40 the Revenue and Taxation Code), or any other tax pursuant to a

1 *Countywide Strategic Action Plan authorized by Article XIA of*
2 *the California Constitution shall not be considered in calculating*
3 *the state's portion of the school district's revenue limit under*
4 *Section 42238 or any successor statute.*

5 *(b) It is the intent of the Legislature that this section be amended*
6 *solely to further the purposes of the Community Funding Protection*
7 *and Accountability Act of 2010.*

8 *SEC. 4. Section 6537 is added to the Government Code, to*
9 *read:*

10 *6537. (a) In order to develop a Countywide Strategic Action*
11 *Plan pursuant to Article XIA of the California Constitution, a*
12 *majority of the members of the county governing body shall agree*
13 *to initiate the development of the plan and to adopt the plan.*

14 *(b) A Countywide Strategic Action Plan shall be developed*
15 *through a public process that seeks to produce a common*
16 *understanding of community challenges and the consequences of*
17 *inaction, that rigorously and fairly assesses the impact of existing*
18 *efforts, and that identifies a disciplined approach to make better*
19 *use of existing and additional resources to ensure progress toward*
20 *common goals. The county shall consult with local agencies*
21 *responsible for services such as education, public safety, and public*
22 *health and welfare, and each participating agency shall identify*
23 *unmet needs in each of those areas.*

24 *(c) A Countywide Strategic Action Plan shall contain, at a*
25 *minimum, the following:*

26 *(1) A declaration of community goals and desired outcomes.*

27 *(2) An inventory of existing publicly funded programs and an*
28 *assessment of those programs that are effectively serving a public*
29 *priority, those that need to be improved, and those that are*
30 *duplicative, obsolete, ineffective, or no longer a priority.*

31 *(3) An inventory of the state agencies whose cooperation and*
32 *assistance will be necessary to implement the plan, as well as any*
33 *recommended changes in statute or regulation that would improve*
34 *the chances of successful implementation.*

35 *(4) A plan for addressing the goals, problems, and inefficiencies*
36 *identified in paragraphs (1) to (3), inclusive, a mechanism for*
37 *measuring the outcomes of programs and progress toward*
38 *established goals, and a plan for annually reporting outcomes and*
39 *conducting public hearings to receive public comments on progress*
40 *toward goals.*

1 (5) A resource allocation plan developed by the county, in
2 consultation with the cities in the county, that is aligned with the
3 goals of the Countywide Strategic Action Plan and that specifies
4 how the proceeds from an increase of up to an additional one cent
5 (\$0.01) in the sales and use tax shall, if approved pursuant to
6 subdivision (d), be allocated to the county and the cities in the
7 county.

8 (6) A plan submitted by each participating school district. School
9 districts shall have exclusive authority to develop and submit plans
10 for addressing the educational needs of their communities. These
11 plans shall be included in the Countywide Strategic Action Plan.
12 The county superintendent of schools may provide assistance to
13 any requesting school district regarding preparation and
14 implementation of the school district's portion of the plan. A
15 participating school district may satisfy paragraph (4) by
16 integrating any additional information into the school
17 accountability report card it issues pursuant to subdivision (e) of
18 Section 8.5 of Article XVI of the California Constitution and
19 Section 35256 of the Education Code.

20 (7) A plan submitted by each participating city. Cities shall have
21 exclusive authority to develop and submit plans for addressing the
22 needs of their communities. These plans shall be included in the
23 Countywide Strategic Action Plan.

24 (d) In counties where a Countywide Strategic Action Plan has
25 been adopted, the county governing board, by a simple majority
26 vote, may place before the voters an increase of up to an additional
27 one cent (\$0.01) in the sales and use tax that is otherwise permitted
28 by law. If approved by a majority of the voters voting on the
29 measure, the proceeds of the tax shall be placed in the county
30 treasury and distributed to the county and cities within the county
31 based on the resource allocation plan required by paragraph (5)
32 of subdivision (c).

33 (e) In counties where a Countywide Strategic Action Plan has
34 been adopted and the sales and use tax has been increased in
35 accordance with subdivision (d), the county and each city within
36 the county shall allocate sufficient revenue from the property tax,
37 the Bradley-Burns Uniform Local Sales and Use Tax Law (Part
38 1.5 (commencing with Section 7200) of Division 2 of the Revenue
39 and Taxation Code), or any other tax to the school districts within
40 the county equal to 50 percent of the revenues received from the

1 increase of the sales tax enacted pursuant to subdivision (d). In
 2 the Countywide Strategic Action Plan, the county and each
 3 participating city shall specify the source of the funds to be so
 4 allocated, and the county treasurer shall calculate and distribute
 5 the appropriate amount quarterly if the source of the funds is the
 6 sales and use tax, or within 30 days after the end of the fiscal year
 7 if the source of the funds is any other tax. The funds shall be
 8 allocated to school districts within the county on the basis of each
 9 school district's average daily attendance.

10 (f) The state shall not reduce subventions to the participating
 11 local government agencies in response to any tax approved
 12 pursuant to this section and subdivision (b) of Section 1 of Article
 13 XIA of the California Constitution.

14 (g) A Countywide Strategic Action Plan and any additional
 15 sales and use tax passed to implement the plan shall remain in
 16 place for 10 years, unless a majority of the members of the county
 17 governing body agree to dissolve or amend the plan earlier. The
 18 county governing board may vote to extend the plan beyond the
 19 original 10-year period. However, if the county governing board
 20 decides to extend any additional sales and use tax passed to
 21 implement the plan, it shall resubmit the additional tax to the voters
 22 pursuant to subdivision (d) of this section.

23 (h) It is the intent of the Legislature that this section be amended
 24 solely to further the purposes of the Community Funding Protection
 25 and Accountability Act of 2010.

26 SEC. 5. This act shall be effective only upon the passage of
 27 Senate Constitutional Amendment No. ____ (2010) by the voters.
 28 If the voters pass Senate Constitutional Amendment No. ____
 29 (2010), this act shall be effective on the same date that measure
 30 is effective.

31 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
 32 ~~changes relating to the Budget Act of 2010.~~