

AMENDED IN SENATE MARCH 18, 2010

SENATE BILL

No. 845

Introduced by Committee on Budget and Fiscal Review

January 11, 2010

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

LEGISLATIVE COUNSEL'S DIGEST

SB 845, as amended, Committee on Budget and Fiscal Review. ~~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 board of supervisors 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.*
 23 *(f) Now is the time to protect funding for local services and give*
 24 *communities new tools and resources to set their own priorities*
 25 *and chart their own paths for the future.*
 26 *(g) Declaring these funds to be owned by the local governments*
 27 *that levy them will protect these revenues from arbitrary action*

1 *by state officials, thereby protecting funding for vital local services,*
2 *including schools, public safety, and transportation.*

3 *(h) Community governments within regions should be*
4 *encouraged to coordinate efforts to address community needs and*
5 *priorities, and to work together toward common goals.*

6 *(i) Community governments should be authorized to develop a*
7 *strategic plan that establishes goals, improves outcomes, and*
8 *provides the resources necessary to accomplish these goals.*

9 *(j) Greater local control over revenue should be tied to*
10 *increased accountability for results, requiring local governments*
11 *to become more efficient and effective to reduce waste of taxpayer*
12 *dollars.*

13 *(k) To promote efficiency, effectiveness, and accountability in*
14 *local governments, the Community Funding Protection and*
15 *Accountability Act of 2010, in conjunction with Senate*
16 *Constitutional Amendment No. ____ of the 2009–10 Regular*
17 *Session, is intended to do all of the following:*

18 *(1) Authorize local governmental agencies to develop a*
19 *Countywide Strategic Action Plan that establishes goals, increases*
20 *efficiency, and improves the outcomes of local services.*

21 *(2) Provide an incentive to local governments, along with the*
22 *necessary resources, to coordinate their efforts by authorizing*
23 *counties to levy sales and use taxes with the approval of a majority*
24 *of local voters.*

25 *(3) Protect local governments from the state borrowing or*
26 *redirecting locally levied funds so local governments have stable*
27 *revenues to provide community services.*

28 *(4) Require local governments to publicly report the results of*
29 *implementing their strategic plans annually so that they are*
30 *accountable to taxpayers and voters.*

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

32 *42246. (a) A school district's receipt of a portion of any*
33 *property tax, tax pursuant to the Bradley-Burns Uniform Local*
34 *Sales and Use Tax Law (Part 1.5 (commencing with Section 7200)*
35 *of Division 2 of the Revenue and Taxation Code), or tax pursuant*
36 *to a Countywide Strategic Action Plan authorized by Article XI A*
37 *of the California Constitution shall not be considered in calculating*
38 *the state's portion of the school district's revenue limit under*
39 *Section 42238 or any successor statute.*

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

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

6 ***6537. (a) In order to develop a Countywide Strategic Action***
7 ***Plan pursuant to Article XIA of the California Constitution, a***
8 ***majority of the members of the county board of supervisors shall***
9 ***agree to initiate the development of the plan and to adopt the plan.***

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

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

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

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

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

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

37 ***(5) A resource allocation plan developed by the county, in***
38 ***consultation with the cities in the county, that is aligned with the***
39 ***goals of the Countywide Strategic Action Plan and that specifies***
40 ***how the proceeds from an increase of up to an additional one cent***

1 (\$0.01) in the sales and use tax shall, if approved pursuant to
2 subdivision (d), be allocated to the county and the cities in the
3 county.

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

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

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

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

1 *the appropriate amount quarterly if the source of the funds is the*
2 *sales and use tax, or within 30 days after the end of the fiscal year*
3 *if the source of the funds is any other tax. The funds shall be*
4 *allocated to school districts within the county on the basis of each*
5 *school district's average daily attendance.*

6 *(f) The state shall not reduce subventions to the participating*
7 *local government agencies in response to any tax approved*
8 *pursuant to this section and subdivision (b) of Section 1 of Article*
9 *XI A of the California Constitution.*

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

19 *(h) It is the intent of the Legislature that this section be amended*
20 *solely to further the purposes of the Community Funding Protection*
21 *and Accountability Act of 2010.*

22 *SEC. 5. This act shall take effect only if Senate Constitutional*
23 *Amendment No. _____ of the 2009–10 Regular Session is approved*
24 *by the voters, and, in that event, shall take effect on the same date*
25 *that measure is effective.*

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