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Endorsements: No on the well-intentioned Proposition 31

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California Forward, founded in 2007 by five foundations – California Endowment, Haas Fund, Hewlett Foundation, Irvine Foundation and Packard Foundation – began with such promise.

Its goal was to promote fundamental changes to California's fiscal and governing systems. To that end it supported the top-two open primary and the Citizens Redistricting Commission.

But now, its political arm – California Forward Action Fund – is promoting a well-intended but flawed initiative that would amend the California Constitution. Voters should say, "thanks but no thanks" to Proposition 31.

This initiative has some good in it, to be sure – such as shifting from a one-year budget to a two-year budget cycle.

Unfortunately, it revives part of a failed initiative in 2005 that would have given the governor unilateral budget-cutting powers if the Legislature doesn't act within 45 days after a governor declares a fiscal emergency. As this page noted in 2005, such a provision provides incentives for the minority party in the Legislature to block action, especially on tax issues that require a two-thirds vote, giving the governor excessive power. This was a bad idea in 2005 and it's still a bad idea in 2012.

Then Proposition 31 has two potentially good ideas that were botched and, thus, should be rejected for a do-over:

- **Pay-as-you-go (PAYGO) budgeting.**

Two years ago, California Forward was considering the right idea – proposing a requirement that ballot initiatives must identify funding sources for any new mandated spending. A major underlying cause of the state's ongoing structural deficit is new funding mandates in voter-approved ballot initiatives, including bond measures.

But Proposition 31 does not address this issue. Instead, it covers only new or expanded programs and tax reductions proposed by the governor or passed by the Legislature. It says nothing about initiatives that add costs or cut taxes. Given California's two-thirds requirement to raise revenue, those seeking major changes to any program or a new program to meet changing state needs would simply go to the ballot – since Proposition 31 does not address initiatives.

The Center on Budget and Policy Priorities, which supports PAYGO as a state law, advises that a state "should not enshrine PAYGO in its constitution" – because "it is impossible to predict what circumstances will be like 25 or more years from now."

• Community Strategic Action Plans.

Counties, cities and schools would have authority to develop a "regional collaborative plan" to provide services. This is the bulk of Proposition 31, and the most controversial item.

The most radical element is that any county and partner local governments that adopt a plan could identify state laws or regulations regarding programs "financed in whole or in part with state funds" that "impede progress toward the goals" of their plan and create their own local rules – unless both houses of the Legislature reject the local rules within 60 days.

For example, counties and their city and school partners could set their own eligibility requirements and penalties for various health and human service programs – say, Medi-Cal or programs for foster kids. Do we really want a patchwork of county-by-county rules when it comes to provision of basic services? No.

Next, Proposition 31 takes about \$200 million a year in state sales tax funds and shifts it to a new "Performance and Accountability Trust Fund" for counties that adopt plans. The amount comes from state prison savings related to the 2011 realignment. California has a proliferation of dedicated funds that reduce state flexibility; it doesn't need this one.

Other provisions in Proposition 31 just seem small, not fundamental structural changes – such as telling the Legislature it must do oversight and review of state and local programs at a specific time (the first Monday following July 4 of the second year in the two-year session) – instead of at various times in its two-year session.

And while requiring bills to be in print three days before a vote certainly is a good idea that the Legislature should adopt in its operating rules, it does not belong in our already unwieldy state constitution.

The leaders of California Forward should be commended for trying to advance the cause of improving the state's governance. But at 8,000 words, Prop. 31 will be difficult for voters to digest and support.

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