

February 26, 2019

The Honorable Robert Rivas
California State Assembly
State Capital Room 5158
Sacramento, CA 95814

Subject: **Support of AB 1253**

Dear Assemblymember Rivas:

The California Association of Local Agency Formation Commissions (CALAFCO) is pleased to sponsor and support **Assembly Bill 1253**. The bill establishes a funding program to provide grants to Local Agency Formation Commissions (LAFCo) for conducting in-depth studies and analyses of local government agencies and services for the purposes of creating improved efficiencies in the delivery of local government services to disadvantaged communities and completing the dissolution of inactive special districts. The grant program would be administered by the Strategic Growth Council and sunset on December 31, 2025.

The Legislature established LAFCos in 1963 to encourage the orderly formation of local government agencies. Since that time, the role and responsibilities of LAFCos have substantially increased. Operating in all 58 California counties, LAFCos are responsible for meeting important statutory directives to maintain orderly boundaries and seek greater efficiencies in delivering local services, and yet these directives often times cannot be met under current funding mechanisms. As a result, much needed LAFCo activities are sometimes delayed or rejected. Further, there is an increasing call at many levels for LAFCos to conduct more in-depth studies of local agency service providers that would specifically consider options for greater efficiencies in the delivery of public services and improved governance models.

After a full year of study by the Little Hoover Commission on special districts and the role LAFCo plays in their oversight, in August 2017 the final published report contained several recommendations directly related to LAFCo. One recommendation was for the Legislature to provide one-time grant funding to pay for specified LAFCo activities, particularly to incentivize LAFCos or smaller special districts to develop and implement dissolution or consolidation plans with timelines for expected outcomes.

While many LAFCos are initiating action to create improved efficiencies in the delivery of local government services, the reality is that certain LAFCos and smaller districts lack the resources to propose consolidations and dissolutions, especially those serving disadvantaged communities. A CALAFCO statewide survey in 2017 showed that lack of funding was one of the top reasons why LAFCos do not initiate such actions.

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Through **AB 1253**, LAFCoS will be able to actively address known service and governance concerns that could potentially save California taxpayers additional money through the reorganization of local government agencies and improved efficiencies in service delivery. It would also fund the statutory mandate for LAFCoS to dissolve inactive districts as identified by the State Controller's Office (SCO) (pursuant to SB 448, 2017). In the first year of this program, the SCO identified 89 of these districts. By establishing this one-time grant funding, **AB 1253** provides an additional tool for LAFCoS to conduct detailed studies and implement greater efficiencies in delivering local services based on local circumstances and conditions.

Thank you for your leadership on this very important matter and we look forward to working with you in support of this measure. Please feel free to contact me should you have any questions about CALAFCO's position.

Sincerely yours,



Pamela Miller
Executive Director

Cc: Senator Robert Hertzberg, co-author
Senator Anna Caballero, co-author