

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF FEBRUARY 22, 2012

REGULAR MEETING

TO: Ron Briggs, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

**AGENDA ITEM #3E: RECEIVE AND FILE LEGISLATIVE ANALYST'S OFFICE
REPORT ON SPECIAL DISTRICTS AND LAFCO**

RECOMMENDATION

Staff recommends that the Commission receive and file the Legislative Analyst's Office Report on Special Districts and LAFCO. Staff does not recommend taking action on this item since it is unlikely that it will generate any legislation or further action by the Legislature.

REASON FOR RECOMMENDED ACTION AND BACKGROUND

The Commission may recall that last year the Assembly Committee on Accountability & Administrative Review held hearings on the number of special districts and whether they should be encouraged to consolidate in order to reduce the number of local governments across the state. Part of those hearings involved LAFCOs and their effectiveness. At the end of the fact finding period, the Assembly instructed the Legislative Analyst's Office (LAO) to answer three questions:

- Are small districts less efficient or effective than larger districts? Would consolidation improve these areas?
- Are small districts less accountable to the public than their larger or general purpose counterparts? Are small districts less transparent?
- How effective is the LAFCO process? Do LAFCOs evaluate the "right" metrics when considering consolidations? What barriers exist to LAFCOs initiating consolidations?

Because these questions were difficult to answer, the LAO chose instead to generate a case study, where the LAO made two general observations:

- 1) There is not a clear association between district size and its efficiency or accountability; and

- 2) LAFCOs are generally well positioned to review special districts, with some limitations.

As indicated in Assembly Member Roger Dickinson's cover letter, no legislation is expected in 2012. CALAFCO opines that it is unclear whether any outcome is expected from the report. In staff's estimation, it is very unlikely Assembly Member Dickinson or his committee will pursue it further. The LAO report does not provide clear paths to pursue any legislative "fix," whatever that may be, and any action to encourage consolidations is bound to meet resistance from the California Special Districts' Association. And, unlike the California Forward initiative, the Assembly Committee on Accountability & Administrative Review hearings failed to gain traction with any constituency. Consequently, pursuing anything using this report as justification carries a lot of risk with little benefit. This is why staff recommends a receive and file action.

Attachments

- Attachment A: Legislative Analyst's Office Report on Special Districts and LAFCO (with cover letter from Assembly Member Dickinson)
- Attachment B: CALAFCO Board of Directors Memo