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Commissioner Suggests Sunset Date for Special Districts

During the Little Hoover Commission's February 23 business meeting, Commissioner Scott Barnett suggested special districts should have a sunset date. The Commissioner suggested

districts should be required to hold an election every 10 years to reauthorize their existence.

The Little Hoover Commission held its business meeting in part to review a draft report on special districts, written by Commission staff following three public hearings in 2016. Commissioner Barnett participated via conference call along with Commissioners Janna Sidley and Don Perata. Commissioners attending in person included Commission Chair Pedro Nava and Vice-Chair Jack Flanigan, along with Commissioners Helen Iris Torres and Sean Varner.

Although the draft report is not available for public review, it was evident based on the discussion that Commissioner Barnett's suggestion was not included in the draft report. Commissioner Barnett made it clear that his idea was one of a "menu of options" he felt the Commission should consider. Nonetheless, he made it apparent that he would "like to start on the extreme," saying to his fellow Commissioners, "let's do something more radical."

Prior to the February 23 meeting, it was expected the Commission would take up a final report on special districts in the spring, likely at its scheduled March 23 meeting. However, following discussion by Commissioners, staff was directed to table the report and consider holding a fourth hearing on special districts in the fall.

Commissioner Barnett cited two special districts in San Diego County as reasoning for his idea, including a resource conservation district that he referred to as a "Dust Bowl" era agency and a healthcare district that now leases its hospital.

In response to Commissioner Barnett's idea, other Commissioners posited their own questions and comments relative to the potential consequences of such a proposal. It was questioned whether voters could effectively evaluate such complex decisions; and it was suggested that perhaps local oversight boards, similar to the redevelopment agency (RDA) oversight boards created to facilitate the dissolution of RDAs, could be the answer. Commissioners also questioned what the impact would be on the ability of special districts to secure and pay-down bonds for infrastructure investments. Eventually, Commissioner Torres summed up the discussion by stating, "I think we can all agree that no one is for the status quo."

CSDA Advocacy and Public Affairs Director Kyle Packham attended the meeting and was afforded an opportunity to address Commissioners during their discussion. Packham noted for the Commissioners that a radical new approach was unnecessary and would have unintended consequences. Moreover, a system fitting the main criteria they outlined exists today in the form of Local Agency Formation Commissions (LAFCOs). He stated that, "LAFCOs offer a local and public process whereby stakeholders provide input, an objective analysis is conducted, and ultimately the local residents who receive and pay for services are given the final say. This balances the concerns and ideas noted by Commissioners regarding the desire for voter participation and the need for objective analysis of complex issues."

Responding to a Commissioner's statement that special districts are "exploding" in California, Packham noted that census data shows the number of special districts in California has actually declined by five percent since 1997 while at the same time the number of special districts nationwide has increased by 10 percent. Packham attributed these facts to the establishment of LAFCOs in California. Known as "Cortese-Knox-Hertzberg," LAFCO law was updated by the State Legislature in 2000 by empowering LAFCOs with additional tools to address local agency reorganizations.

Packham acknowledged that the LAFCO process is methodical, rather than radical, but advised that when essential public services like water and fire protection are at stake, methodical is the right approach.

With its report now tabled, the next opportunity for special districts to engage the Little Hoover Commission will be at [Special Districts Legislative Days](#) May 16-17 in Sacramento, where Commission Chair Nava has confirmed to participate as a keynote speaker. Registration is now available at legislatedays.csdanet.net.

CSDA will spend the coming months meeting with Commission staff and stakeholders to further consider the issues raised by the Commission. As this occurs, CSDA will develop appropriate responses and potential solutions beyond what was shared within [CSDA's August 8, 2016 written testimony](#) and August 25 oral testimony to the Commission. CSDA members will receive periodic updates, with information on how you can take proactive steps to communicate in a constructive manner on these important issues, as well as actions you can take to engage in this review. If you are interested in actively participating in this process, please contact CSDA Advocacy and Public Affairs Director Kyle Packham at kylep@csda.net.

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