

December 12, 2011

Hon. Kamala D. Harris  
Attorney General  
1300 I Street, 17<sup>th</sup> Floor  
Sacramento, California 95814

Attention: Ms. Dawn McFarland  
Initiative Coordinator

Dear Attorney General Harris:

Pursuant to Elections Code Section 9005, we have reviewed the proposed constitutional amendment related to compensation and benefits for part-time local officials (A.G. File No. 11-0066).

## BACKGROUND

California has thousands of local governments that provide various services, including police and fire protection, water and sewer services, road maintenance, health and social services, and education. The state has 58 counties, 482 cities, over 3,000 special districts, nearly 1,000 K-12 school districts, and 72 community college districts. Officials serving these local governments include county supervisors, city councilmembers, mayors, sheriffs, district attorneys, county assessors, and school board members. Many of these local officials fulfill these local government functions on a part-time basis.

Generally, part-time local officials receive pay for their official work, such as salaries, stipends, or per diem payments. In addition, many receive other benefits as compensation for their official service. The types of benefits received by local officials include health benefits, pensions, and car allowances.

In addition to serving on public bodies to which they were elected, many elected officials also serve on other boards and commissions, such as dependent special districts, regional boards, and redevelopment agencies.

## PROPOSAL

***Bars Part-Time Local Officials From Receiving Non-Monetary Benefits for Service.*** This measure amends the State Constitution to bar local officials—elected or appointed to a fixed term of office—from receiving non-monetary benefits, such as health insurance, pensions, or car allowances for their official service. The only exception to the prohibition on receiving pension benefits would be for incumbent officials who have already earned a vested right to pension benefits at the time the measure became operative.

***Bars Part-Time Officials From Receiving Monetary Compensation for Service on Other Boards and Commissions.*** The measure also bars part-time elected officials from receiving monetary compensation for their service on boards and commissions other than the office to which they were elected.

## **FISCAL EFFECT**

***Reduced Local Costs for Local Official Compensation.*** Barring part-time local officials from receiving benefits such as health and retirement benefits and compensation for participating on other boards and commissions would reduce local government compensation costs, potentially in the range of tens of millions of dollars annually. The magnitude of these cost reductions would depend on many factors, including the degree to which local governments reclassified some positions to be full-time positions.

## **SUMMARY OF FISCAL EFFECT**

This measure would have the following major fiscal effects:

- Unknown reductions in local official compensation costs, potentially in the range of tens of millions of dollars annually.

Sincerely,

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Mac Taylor  
Legislative Analyst

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Ana J. Matosantos  
Director of Finance