



LEAGUE OF WOMEN VOTERS® OF CALIFORNIA

Statement of the League of Women Voters of California Joint Informational Hearing on Constitutional and Budget Reform

Senate Committee on Elections, Reapportionment and Constitutional Amendments
and Senate Select Committee on Constitutional Reform
August 18, 2009

The League of Women Voters of California appreciates this opportunity to highlight several problems with California's governance and to make suggestions for reform. The time is certainly ripe for this conversation, as reform is "in the air" and the subject of much discussion by the public, policy makers, and the media.

As early as the 1950s, the League of Women Voters studied the state Constitution. We support measures to secure an orderly and simplified Constitution, with provisions that enable the legislature to deal with state problems efficiently and flexibly, and with responsibility clearly fixed. We testified in 1961 for the need to make a full review of the Constitution and worked through the 1960s for the passage of a number of amendments that were proposed as a result of that review. Despite the changes made at that time, certainly according to our standard the Constitution has gotten worse in the years since then. Clearly, the budget crisis alone has led many to the conclusion that it is time to consider substantial change.

While the Legislature is certainly not immune to the temptation to make proposals that have made the Constitution more complex, in the eyes of many it is the initiative process that has led to greater complexity and thrown up roadblocks to effective governance.

The increasing numbers of initiatives that have gone to the voters have taken us a long way from our goals. The trend toward measures that have limited the ability of state and local government to raise revenues, coupled with other measures that require specific spending, has a serious impact on the Legislature's ability to set priorities and deal with a crisis. Some measures simply mandate appropriations, while others provide new taxes, usually from sources that affect the fewest voters. Often, little or no thought is given to how they will fit in with existing programs, whether the designated funding is sustainable, or whether it is consistent with overall tax policy. Measures often require that any new funding must be used only for the new program, even if similar existing programs are being cut back.

Groups that have gone to the trouble of organizing and funding initiatives also usually include language to limit the possibility of amending the initiative by requiring a supermajority vote for any legislative amendment, and this generally means that unintended consequences cannot be dealt with short of going back to a future ballot.

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The League has also studied the initiative process and has been active in supporting and opposing various measures on the subject. We support retention of the direct initiative, but would also like to see the indirect initiative adopted as an alternative. Especially considering the cumulative impact of the many initiatives that have affected the budget and both state and local finances, we believe that it is time to consider the indirect initiative process again.

Initiatives are often long and complex and may be poorly drafted. Even if errors are found, initiative proponents cannot correct them once circulation for signatures has begun. The direct initiative process lacks the significant benefits of the legislative process, which include public hearings and review by many different parties and the ability to make improvements as a proposal moves through the legislature. The indirect initiative incorporates citizen-initiated measures into the legislative process of review and revision, requires the legislature to be responsive, and offers the option for proponents to put their measures on the ballot if they have been rejected by the legislature.

We continue to support other measures to improve the initiative process by making more information available to the public through such means as improvements in the ballot pamphlet, posting of more information online, and increased disclosure of the funding of campaigns.

Another area that needs to be examined is government finance. California League members first studied and adopted a position on state and local finances in 1969 and have updated our position five times since then. It emphasizes the need for revenues that are both sufficient and flexible enough to meet changing needs for state and local government services, and a system of public finance that emphasizes equity and fair sharing of the tax burden as well as adequacy. Our present system of finance meets none of those goals.

We advocate the elimination of the two-thirds vote requirement for passing budgets and revenue increases. The two-thirds rule gives a minority the power to overrule legislators elected by a large majority of California voters. Even in good budget years, this situation puts legislators of both parties in unreasonable negotiating positions and results in deals that may be far from the best policy for the common good.

The two-thirds rule for tax increases also helps perpetuate tax breaks that take billions of dollars from the budget each year. The great difficulty of ending a tax expenditure, despite the relative ease of creating one, makes systematic review almost impossible to mandate, and even those tax breaks that do not fulfill the goals set for them are seldom eliminated.

We welcome the examination of our state's tax structure in order to achieve the goals of equity, fair sharing of the tax burden, and adequacy. We support changes in the property tax assessment of nonresidential property to require regular, frequent reappraisal and an end to the problem of business properties that are not reassessed, even though the corporations or partnerships owning them have had substantial changes in ownership. While we can support an increased budgetary reserve, we would oppose a cap on revenues or expenditures that would not allow the government to meet changing needs of the people for state and local government services.

Among other proposals for reform of state governance, we support the extension (or elimination, if that were feasible) of legislative term limits. Term limits have produced a loss of institutional memory and experienced leadership in the Legislature and have contributed to the government

dysfunction perceived by many Californians. While the specific details of any proposal must be carefully examined, we are open to the possibility of this reform.

As major proponents of Proposition 11 of November 2008, we are pleased that this reform—establishing an independent citizens’ commission to draw the maps for legislative and Board of Equalization districts—was passed. We are working to ensure smooth implementation of the proposition as regulations are written to govern the commission selection process, and we will monitor the selection and operation of the commission. We will work to see that citizens throughout California are aware of the work of the commission and its importance and that they give input to the commission about their communities and needs for representation.

We support improvements in the funding of campaigns for candidates and issues and in particular support the California Fair Elections Act that will be on the June 2010 ballot. We believe that this pilot project will show the need for more public funding of campaigns to level the playing field for candidates and encourage broader participation in government by Californians of all backgrounds and interests.

There are proposals under consideration to accomplish constitutional reform by various means. Although the League strongly supports the concept that systematic efforts to revise the Constitution are needed, we have not taken a stand on the question of calling a Constitutional Convention or endorsed other methods such as a constitution revision commission. We feel that consideration of this issue is an important public policy matter, and the citizens of California will benefit from engaging in the discussion of the need for reform and how best to achieve it. We have potential concerns about how such a convention would work. Much would depend on how it was organized and how delegates would be selected. We do believe that it should be limited in scope at least to governmental issues, and that opening it up to a broad range of social issues would be unlikely to produce any broad agreement.

We also recognize the critical nature of the selection of delegates to a convention or members of a commission in affecting their ability to carry out their functions. We have some experience with—actually, are continuing to learn more at this very moment about—these issues in the selection process for the redistricting commission established by Proposition 11. As columnist Peter Schrag recently said bluntly, the issue is “how to choose the delegates to make certain they’re representative of the state’s population, don’t represent interest groups and aren’t a bunch of dummies.” We welcome the opportunity to help educate the public about the factors to consider.

Of course, no matter how the process of reform is designed, transparency will be essential. Democratic government requires that the citizen’s right to know be protected and that all government actions be open to public scrutiny.

Overall, given the crisis facing California, we believe it is necessary to address the problem before us. We will continue to weigh in on the policy matters highlighted today to the extent our positions allow us to do so. In addition, local Leagues of Women Voters around the state are undertaking education of their communities about the issues and the opportunities and are anxious to increase those efforts. As an organization dedicated to encouraging informed and active participation in government, we will work to help all Californians be aware of and involved in this crucial undertaking.

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