

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 11, 2011
POSITION: Oppose

BILL NUMBER: AB 1344
AUTHOR: M. Feuer

BILL SUMMARY: Local Governance

Under current law, local voters can adopt, amend, or repeal a city charter at a special election, any municipal election, or statutorily established election. Cities must provide a minimum of 88 days between calling for the election and the date of the election. For charters proposed by a charter commission, state law requires 95 days.

Existing law governs labor-management relations although its bargaining and representation procedures are generally not applicable to executive employees. Existing statutes restrict the compensation that can be offered by local agencies to executive employees, including restrictions on compensation when employment contracts are terminated, and mechanisms local agencies can use to set compensation.

This bill would:

- Prohibit the use of special elections for authorizing, amending or rescinding a city charter.
Require explicit notice of charter proposals that authorize new city powers, including the authority of city officials to increase their compensation without voter approval.
Restrict the ability of local agencies to authorize automatic pay increases for senior city officials.
Provide employees convicted of a crime involving the abuse of the local office must reimburse the local agency for the costs of any defense tendered the employee, any salary paid if the employee was on leave pending an investigation, and any contract settlement paid on termination of the contract.
Require cities to post specified meeting and related notices on public websites.
Restrict the use of a special meeting to make compensation decisions.

FISCAL SUMMARY

This bill could impose reimbursable costs since it requires a new manner of posting of agendas. This will likely entail paying for part of the time of local agency staff who format and post agendas on websites. Costs to local governments to post these agendas would vary depending on content and volume, but if California's roughly 3,400 special districts, 482 cities, and 58 counties were required by state law to post agendas biannually, requiring 1 - 2 hours of an IT Technician's time at an hourly rate of \$50 including salary

Analyst/Principal Date Program Budget Manager Date
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Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

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and benefits, annual costs to local governments could approximate \$390,000 to \$780,000. Should a claim of state mandate arising from these disclosure and filing requirements placed on local agencies be filed with and sustained by the Commission on State Mandates (COSM), a presently unquantifiable but substantial state General Fund impact could result.

COMMENTS

Finance opposes this bill for the following reasons:

- Should a claim of state mandate arising from the disclosure and filing requirements be filed with and sustained by COSM, an unquantifiable but substantial state General Fund impact could result.
- Provisions of this bill restricting the ability of local agencies to offer contracts with compensation increases beyond cost of living increases may hinder local governments' recruitment of candidates for senior management positions, and may violate the principal of local control.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)									Fund Code
	SO	(Dollars in Thousands)								
	LA	CO	PROP	FC	2011-2012	FC	2012-2013	FC	2013-2014	
0001/Major Rev	SO	RV	98	FC	2011-2012	FC	2012-2013	FC	2013-2014	0001
			No		--	C	\$585	C	\$585	