



CSDA POLICY PRINCIPLES

The California Special Districts Association (CSDA) is the only statewide association representing all types of special districts. CSDA's policy principles represent the core values and beliefs the members of the association share regarding public policy issues impacting special districts and the vital services and infrastructure they provide to California's communities.

Policy principles are intended to guide CSDA legislative advocates in their efforts to best represent special districts. These principles or pertinent parts therefore may also be shared with appropriate parties and further refined into detailed memos or position letters as needed, in order to outline CSDA's position on a given policy matter.

As issues arise and change, CSDA will update its library of policy principles. Principles may be amended, added or deleted upon approval by the CSDA Board of Directors following a recommendation of the CSDA Legislative Committee.

PROPERTY TAX

[Approved by CSDA BOD 2.23.11; Amended by CSDA BOD 4.12.13]

1. Property taxes are appropriately invested in core local services, such as those provided by special districts.
 - a. Local *ad valorem* property taxes are paid by property owners to support local services and projects associated with the needs and necessities of their community.
 - b. Because the broad benefits from special district services and projects accrue directly to property taxpayers, an *ad valorem* property tax is a fair and equitable means for those who benefit to share the cost of special district services and projects.
 - c. Property taxes provide a firm financial foundation for special districts to build the infrastructure necessary to maintain a strong economy and healthy environment.
 - d. A clear nexus of benefit historically exists between the property tax payer and the property value improvement generated from property tax investments in local services and projects provided through special districts.
2. Voters have consistently and overwhelmingly expressed their will to keep their property tax dollars "local" in support of core local government services. The California Constitution prohibits the state from using local property tax dollars to meet state budget shortfalls. Furthermore, the California Constitution prohibits the state from redistributing local property tax dollars to fund state mandates on local governments, including "realigned" services.
3. CSDA will oppose any property tax redistribution formula that violates the nexus of benefit between property tax payer and the accrued benefits thereof, or any formula that is not fair and equitable to CSDA members.
4. Those entities that would bear the burden of funding a redevelopment program should have a fair and equitable role in helping determine the associated costs and benefits of such an effort. Special districts should have the ability to opt out of participating in the revenue sharing arrangement of a redevelopment program.
5. CSDA will support amendments to the State Constitution that would lower the vote threshold for local revenue and bonding measures from two-thirds to 55 percent. CSDA is committed to a comprehensive approach that would be equitable for all types of services and infrastructure, as provided by all types of local entities. The 55 percent threshold should be sought for special taxes, parcel taxes and general obligation bonds.



SERVICE DELIVERY STRUCTURES, PLANS & ORGANIZATION

[Approved by CSDA BOD 2.23.11; Amended by CSDA BOD 1.25.13; Amended by CSDA BOD 4.12.13]

1. Uphold and maintain the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH), including amendments thereto since 2000, to ensure local agency formation commissions (LAFCOs) maintain authority over jurisdictional reorganizations and/or consolidations of local government. Only LAFCOs possess the proper forum, experience and representation to consider and render a decision on such important and complex matters.
 - a. It is short-sighted and oversimplified to assume that consolidations or mergers of local government services are a one-way street. Special districts provide focused and directly accountable local services sensitive and responsive to the unique needs and priorities of the local communities they serve. By design, special districts typically offer more efficient and/or effective core service than broader based entities.
 - b. Any consideration of reorganization (consolidations, mergers, or dissolutions) or process for facilitating reorganization should be balanced and include representatives of those affected. To the extent consideration is given to cities or counties taking on special district services, equal consideration and opportunity should be allowed for special districts to take on municipal services that were provided by cities and counties.
 - c. The potential for improved service and/or reduced costs is just as great when a fire protection, water, parks and recreation, or other special district takes over the operations of a city or county department, as it may be for the converse.
 - d. Ultimately, the residents receiving a local service and paying for the service should choose the service. CSDA respects and values the role of the public in self-determining the local government entities that deliver its services. CSDA will oppose any measure that would unreasonably reduce due public process with regard to formations, dissolutions or reorganizations of local entities.
 - i. Under CKH, protest thresholds for placing a LAFCO action before the electorate vary. These thresholds should serve as a barometer of the electorate.
 - ii. No LAFCO action should go forward that is contradictory to the will of the people it serves. Likewise, public resources and voters should not be burdened with overly-frequent elections in which a majority of voters do not, in fact, oppose the LAFCO action.
 - iii. Protest thresholds should “set the bar” low enough to ensure that LAFCO actions likely opposed by a majority of voters are able to be placed on the ballot considering the given time-period and population size. Likewise, the threshold should set the bar high enough to ensure that a majority of protests succeed when placed before the electorate.
 - iv. CSDA will oppose any measure to amend existing protest thresholds absent evidence demonstrating the thresholds are unreasonable, per the above principles.
2. Special districts must be included as full and equal partners with counties, cities, and school districts in any strategic countywide or local planning that affects the services that special districts provide. As providers of numerous critical services to the residents throughout the state, including fire protection, healthcare, sanitation and water, just to name a few—and in many cases to cities through service contracts—special districts are critical partners for any service-related “countywide” or local planning process.
3. Given the decisions LAFCOs make regarding dissolutions, reorganizations, boundaries and spheres of influence, as well as the increasingly significant municipal service reviews and other reports they produce, obtaining representation on LAFCO is a valuable and worthwhile endeavor. Furthermore, as a key stakeholder in the delivery of core local services, along with cities and counties, special districts bring a meaningful perspective to the LAFCO process that diversifies decision-making.



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- a. CSDA supports the current CKH process in which special districts in each county have the right to petition and vote in order to gain representation for special districts on their respective LAFCO commission.
- b. CSDA encourages all districts to seek and attain such representation for special districts. To further that goal, CSDA will serve as a resource and provide assistance to special districts as they proceed through the process outlined in CKH.

PUBLIC PENSIONS

[Approved by CSDA BOD 11.18.11]

Public employee retirement systems are an important component of the total compensation package used to attract and retain highly qualified, career-minded employees to public service. Long-term career employees provide the institutional knowledge that is critical to delivering consistent and reliable core local services, such as drinking water, fire protection, mosquito abatement, and other front-line services that benefit and protect communities.

1. While many special districts vigilantly work to maintain viable and sustainable pension programs, the ability to support pension costs is an issue confronting public employers throughout the state. Projected increasing costs in the near-term will present special districts with varied challenges of how to preserve the long-term sustainability of their pension plans for current and new employees. Changes in how pension programs are currently implemented are inevitable, and CSDA is committed to promoting reasonable, sustainable and transparent solutions.
2. Local flexibility is a paramount institutional principal of CSDA and its membership. Special districts vary in size, composition, services and functions. Given the diverse California communities served by special districts, and the varied labor markets in which they compete for talent, it is important that any statewide reforms maintain local flexibility and the tools to meet the unique district needs as well as the needs of the communities they serve. A “one-size-fits-all” reform approach does not provide the flexibility and latitude required by special districts to control pension costs, recruit and retain talent, and provide efficient and cost effective service delivery.
3. CSDA supports proposals that eliminate abuses and fraud, which erode the integrity of public retirement systems.
4. CSDA supports locally established policies that will promote sustainability of pension systems with the greatest flexibility given to local governments to manage costs and benefits. Those policies may include ensuring employers and employees contribute necessary amounts to fund annual pension costs; limiting over-reliance on retired annuitants; eliminating the ability to purchase additional retirement service credit; calculating pension benefits using an employee’s highest average salary over a three year period for new employees; and increasing the retirement age for new employees with the acknowledgement that physical force and safety occupations may require a younger retirement age than other employee classifications. While a hybrid system could reduce employers’ liabilities, it could also decrease the efficiency, effectiveness and value of pension plans. Therefore, any hybrid plan should be optional for employers.
5. CSDA recognizes that a pension reform proposal must be considered in whole and not solely on its individual components.



CALIFORNIA ENVIRONMENTAL QUALITY ACT
[Approved by CSDA BOD 1.25.13]

Special districts play a critical role in the implementation of the California Environmental Quality Act and the protection of the environment. As public agencies, districts understand the importance of both economic development and environmental sustainability, making them key stakeholders in the development of CEQA public policy.

Special districts are responsible for the reliable delivery of core services. Infrastructure projects and maintenance are essential to districts that provide drinking water, sanitation, fire protection, mosquito abatement, parks and other front-line services that benefit and protect the community. Well-designed environmental codes and regulations will allow public agencies to efficiently construct projects necessary for the delivery of core local services, while implementing environmentally sustainable practices.

1. Special districts are dedicated to fully participating in discussions that examine potential reforms to CEQA.
2. CSDA recognizes the value and importance of CEQA to the protection of the environment in California. Any proposed CEQA revisions should improve the efficiency of CEQA procedures without compromising its integrity or weakening crucial environmental protections.
3. CSDA supports statutory reform that minimizes impediments created to public works projects through arbitrary litigation.
 - a. CSDA supports measures that would reduce the instances where special districts are sued when acting as lead agencies.
 - b. While special districts take great care and consideration in preparing projects for CEQA review, challenges created by late opposition and last minute “data dumps” stall projects and cause lengthy and costly court proceedings. CSDA supports reforms that would require concerns be registered in advance, encourage early consultation, and/or establish a “standard of review.”
4. Special districts expend a great deal of time and resources in submitting comprehensive EIRs, however, CEQA’s sometimes uncertain requirements give grounds for legal challenges. CSDA supports reform to add clarity to fundamental CEQA requirements.
5. Lead agencies and project proponents can better achieve environmental protection goals and avoid costs and liabilities if, at the project design phase, they are aware of how to avoid creating conflicts with the work of special districts in their delivery of core services and infrastructure to provide clean drinking water, fire protection, mosquito abatement, and other front-line services. CSDA supports providing additional guidance and clarity in CEQA to enhance the coordinating role of lead agencies and enable them to achieve greater environmental protection.
6. Reforms to CEQA should also integrate updated environmental and planning laws while eliminating duplication between CEQA and the myriad of other local, state and federal laws and regulatory processes.



SERVICE CONTRACTS

[Approved by CSDA BOD 9.5.14]

Service contracts are an important tool for special districts to achieve cost-effectiveness and efficiency in the delivery of core services to California's local communities. They allow local agencies to manage liabilities and obligations in the best interest of residents, ratepayers, property owners, and taxpayers.

As experts in their fields, special districts are well-positioned to determine when it is prudent to contract for services. These contracts may include, but are not limited to, professional, administrative, trade-based, or labor-based services.

CSDA Supports:

1. Best Practices: Adherence to all state statutory requirements, locally adopted policies, and existing contracts or agreements between a local district and other parties when entering or continuing service contracts as part of best practice fulfillment. Best practices may also include, but are not limited to, contracting safeguards such as pre-bid qualifications that address minimum certifications, licensure, and/or safety records of subcontractors.
2. Local Control: Reserving local discretion and maximum flexibility for districts in contract agreements, as well as in the development of service procurement policies or procedures.
3. Reflecting Variation: Opportunities to contract for services that reflect the diversity of special districts' size, service area, type, and function.
4. Prudent Determination: Contracting for specialty, highly-skilled, seasonal or temporary services or labor that a district determines is not reasonable to maintain within the local agency, or to alleviate burdens associated with the purchase or maintenance of specialized equipment, vehicle fleets or facilities.
5. Thoughtful Planning: Annually renewing contracts for service, also known as "evergreen" contracts, as a tool to stabilize rates and secure long-term financing for necessary equipment and facilities.
6. Responsible Actors: Maintaining the existing balance between contracting entities and contractors/subcontractors' liability for contracted/subcontracted workers' health, safety, or earnings. Additional liability should not be shifted onto primary contracting entities, thereby alleviating contractors/subcontractors of their duties as employers. This undermines a key tenet of service agreements and confuses the relationship between contracting entities, contractors/subcontractors and their respective employees.
7. Transparency: Providing opportunities for public review and engagement related to the adoption of procurement policies or procedures as well as service contracts, as set forth in the Ralph M. Brown Act open meeting laws and the California Public Records Act.



STATE GENERAL OBLIGATION BONDS

[Approved by CSDA BOD 9.5.14]

Statewide general obligation (GO) bonds play an important role in public financing of critical infrastructure and they deliver value and public benefit to all Californians. GO bonds are repaid with taxpayer dollars; as such, the responsible administration and stewardship of the process and the monies is of the highest priority.

1. Fairness & Balance:
Statewide GO bond measures must provide balance between a variety of programs to meet the needs of diverse districts.
 - a. The programs allocating bond revenue should avoid creating unfair competition between different districts, irrespective of size and resources associated with each individual district.
2. Public Benefit:
Public funding must strive to fund the greatest public benefit. Bond monies should:
 - a. Provide specificity by funding clearly defined project categories with defined public benefit.
 - b. Avoid creating new, non-fiscal policies within the bond.
 - c. Encourage competition by avoiding allocating dollars for specific projects which limits the opportunities for maximizing public benefit.
3. Transparency:
Bonds must encourage transparency in the allocation of funding. Creating an open and fair allocation process includes avoiding placing significant earmarks for special projects in the measure.
 - a. Revenue use should be clearly delineated.
 - b. Special districts should have direct access to bond funds.
 - c. The allocation process must be:
 - i. open,
 - ii. allow for fair competition, and
 - iii. when appropriate, require the local matching of funds and/or demonstration of financial capability to maintain the proposed project in perpetuity.
4. Accountability:
Accountability in the allocation and use of bond funding is paramount in order to ensure its responsible administration and stewardship and to maximize public trust in the use of GO bonds as a funding mechanism.
5. Streamline Process:
Streamlining application, reporting and implementation requirements allows for a more efficient and effective system.
 - a. Reducing the obstacles to implementation helps ensure the timely and responsible use of bond funds.
 - b. Rigid and confusing requirements increase administrative costs in time and resources for all agencies involved and limit the benefit to the public.



STATE MANDATES

[Approved by CSDA BOD 9.5.14]

General

1. Flexible, Outcome Focused: State mandates should focus on achievement of desired outcomes and provide for multiple, locally responsive means of compliance.
 - a. Mandates should consider and account for the broad diversity of the regulated entities in each sector.
 - b. One-size fits all approaches are can prove burdensome, costly, and redundant to existing requirements and may be ineffective in achieving desired outcomes.
2. Basis for Standards: Mandates should be based on best practices, best available information and should advance holistic, sustainable, comprehensive and cohesive solutions to measureable issues.
 - a. CSDA generally opposes state mandated programs or service levels stemming from a single, isolated incident which do not reflect statewide trends or widespread deficiencies.
3. Comprehensive Review & Analysis: Any potential new state mandated program or service level proposed in legislation should be given a full fiscal review by the legislative fiscal committees and/or the Legislative Analyst Office prior to its passage.
 - a. New laws imposing a state mandate should only take effect once necessary state funds are identified and the reimbursement process is established.
4. Collaboration: CSDA will collaborate whenever possible with other local government associations or stakeholders representing cities, counties, and schools on common issues to maximize opportunities for beneficial outcomes.

Reimbursement

5. State Responsibility: Costs resulting from new state mandated programs, or enhanced mandated service levels, should be borne by the state, as expressed by the people of California. Voters have repeatedly and overwhelming expressed the need and desire for this through Proposition 4 (1979) and Proposition 1A (2004).
6. Open Process: CSDA supports a mandate determination process that affords open dialogue and meaningful communications between stakeholders and the determining body. This can be accomplished by ensuring that the mandate determination body includes representatives of stakeholders impacted by state mandates.
7. Timely and Practical Determination System: CSDA supports the expeditious repayment of outstanding mandate reimbursements to local agencies, which will improve overall state fiscal stability and economic health.
 - a. Systems that allow special districts to recoup monies spent on mandated programs must be achievable and easily navigable to provide for full, timely reimbursement.
 - b. CSDA supports efforts that expedite and facilitate reimbursement eligibility determination.
8. Equal Eligibility: All special districts that are required to carry out state mandated programs or service levels should be eligible to recoup reimbursement, regardless of the local agency's primary revenue sources, if no new fee authority has been granted expressly to account for new program or service costs.



TRANSPARENCY

[Approved by CSDA BOD 9.5.14]

The California Special Districts Association (CSDA) believes districts are made stronger through an engaged and informed public. Transparency is a cornerstone of representative government and is necessary to foster a culture of integrity. It is the responsibility of every state and local agency, regardless what service they may provide.

1. Policies seeking to promote transparent and accountable governance should do so through promoting the following values:
 - a. Equal Application – Requirements are applied equitably to all levels and types of local and state government, with modifications only to reflect pertinent differences in specific governance structures.
 - b. Uniformity – Information is presented in ways that facilitate comparisons between different government agencies and levels.
 - c. Efficiency – Government agencies should be able to carry out transparency efforts with minimal cost impacts to residents, property owners, or taxpayers that could diminish core service delivery. In addition, policies should not seek to create redundant or duplicative transparency efforts.
 - d. Accuracy – Information is correct, timely and does not advance misconceptions. Every reporting agency can clearly understand the information requests and process for reporting.
 - e. Clarity – Data is shared in meaningful ways that promote greater awareness and understanding of governance structures, policies, and/or finances.
2. CSDA Supports:
 - a. Local Governance: Policies that enhance special districts' ability to govern as independent, local government bodies in an open and accessible manner.
 - b. Meaningful Measures: Transparency measures that are substantive, rather than primarily symbolic efforts, and seek to improve outcomes for all Californians. As such, new proposals should reflect a deficiency in current policies for all government agencies and generally should not legislate for exceptions to the rule.
 - c. Established Tools: Enforcement of existing laws and use of current remedies before establishing new, more extensive rules and penalties for local government agencies.
 - d. Review and Evaluation: Periodically revisiting transparency and accountability requirements, such as reporting and record retention, to assess whether or not they accommodate the public's and government agencies' needs.
 - e. Community Focus: Local accountability measures that reflect the needs of residents, property owners, rate payer and taxpayers as part of core local service delivery efforts.
 - f. Best Practices: Special district efforts to adopt best practices that promote transparency, such as those set forth in the Special District Leadership Foundation's District Transparency Certificate of Excellence.



PRIVACY AND CONSUMER PROTECTION
[Approved by CSDA BOD 11.13.15]

CSDA is comprised of a broad spectrum of special districts that deliver specialized and essential core local services to the community. CSDA supports and encourages providing information to the public to facilitate a more engaged and informed community, while simultaneously promoting accountability of a public agency. Due to the unique function and service of a special district, information should be managed in a reasonable and fiscally responsible manner that encompasses protection mechanisms for consumers and against security breaches of the special district.

1. Public Records Act, Open Records, Website Restrictions/Posting Requirements

CSDA supports transparency for further accountability as appropriate, but transparency should not impede the special district's ability to provide service to its constituents, or put their constituents at risk of a privacy breach.

- a. CSDA supports providing existing records to the public through the Public Records Act, but does not support any legislation that would require special districts to create new records for distribution through the Public Records Act.
- b. CSDA will oppose any measure that would put the ability of special districts to provide services at risk, or would put constituents' privacy at risk.
- c. CSDA encourages all districts to develop websites and post as many records in an open format as possible without jeopardizing the cybersecurity of the district. However, CSDA does not support any efforts that would mandate districts have a website, or requirements to post records in a particular format.
- d. CSDA will oppose additional open meeting and public records requirements that unnecessarily increase the burden on public resources without effectively fostering public engagement and enhancing accountability of government agencies.
- e. CSDA opposes any effort to erode existing exemptions contained in the Public Records Act.

2. Cybersecurity

Special districts are created to provide specialized services to the communities they serve. In addition to the highly sensitive information a district may retain regarding the district and its functionality, many districts also retain sensitive information regarding the constituents they serve.

- a. Future legislation or regulations should support increased cybersecurity and assist districts in preventing cyberattacks or breaches, not increase potential cyber vulnerabilities.
- b. CSDA supports providing the public with information related to services provided by special districts, and having the flexibility to effectively and responsibly manage information using new and emerging technology to prevent potential security risks - including private customer information and the protection of public districts, district employees and district facilities.
- c. CSDA supports increasing protections against vulnerabilities and risks related to information management and against individuals or groups who would use the information for harm.
- d. Special districts should be responsible for determining the necessary level of security for the inventory of information assets they collect and produce.
- e. State cybersecurity laws and regulations should be developed with CSDA input to ensure districts are capable of complying and do not hinder existing reporting requirements.

3. Drones

- a. Undue burdens should not be placed on special districts' usage of drones and should not impede a district's ability to better serve the public.
- b. Drone regulations should be developed with CSDA input, to ensure the safe usage of drones and to prevent potential safety hazards to district employees and the public.

4. Intellectual Property Rights



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- a. CSDA supports ensuring intellectual property rights and trade secrets are protected for public agencies consistent with current state and federal law.