

# THE GOVERNMENT PERFORMANCE AND ACCOUNTABILITY ACT

## WHAT'S IN THE PROPOSAL

### STABLE, RESULTS-ORIENTED BUDGET PROCESS:

The proposal includes a set of fiscal tools to help state government focus on improving performance.

- **Performance-based budgeting:** The state would establish goals and performance measures for all programs.
- **Two-year budgets:** The Legislature would pass a two-year budget to create more predictability, and reallocate more time to reviewing and improving programs.
- **Pay-Go:** New program commitments would be required to include a source of funding (Pay-Go).
- **Transparency:** To increase transparency of all legislation, including the Budget Act, would have to be available to the public three days before final action. The Department of Finance also would be required to update fiscal information three times per year.

### ACCOUNTABILITY FOR RESULTS:

The proposal requires all local governments to be accountable for results by establishing goals and performance measures as part of their budgets and to publicly report progress.

### ENCOURAGE COOPERATION AMONG LOCAL GOVERNMENTS:

The proposal gives counties – in partnership with cities, school districts and special districts – the authority and the incentives to develop a Community Strategic Action Plan. The objective of the Action Plan is to encourage local governments to work together to make the best use of available resources. Innovative leaders assert that to accelerate progress they also need more flexibility in state funding and rules.

- **Common goals:** Through a strategic plan, local governments would identify common goals – such as improving outcomes for youth – and how they would coordinate actions to cost-effectively achieve those goals. The plan also could identify state laws or regulations that prevent local governments from efficiently and effectively providing services, and include a local method for achieving the state objective.
- **Counties, cities and schools:** The measure would authorize a county board of supervisors to initiate the plan, and require them to invite other local governments to participate in the countywide planning effort. Cities, school districts, or special districts could petition a county to initiate a plan. A minimum number of cities and school districts would have to participate in the plan, which would be adopted by a majority vote of the governing board for each participating jurisdiction. Counties that complete an Action Plan would receive incentive funding from the State.
- **State review:** After the plan is approved locally, it would be submitted to the Legislature, which would have 60 days to review it. If the Legislature takes no action, the local plan would be deemed certified and the local agencies would have the legal flexibility requested in the plan. If an Action Plan only seeks relief from a state regulation that is within the authority of an executive branch agency, that agency secretary would have the authority to certify the plan.
- **Accountability measures:** Counties that adopt a plan would be required to annually report results and evaluate the plan once every four years. The review would include an opportunity for public comment and an evaluation of the degree to which the plan has improved results in all parts of a community. Counties would need to renew the plans with the State every four years.
- **Additional local authorities:** Once the plans are certified, participating governments would have the following authorities: Counties, cities, schools, and special districts could reallocate among themselves locally-levied sales and property taxes – except for the portion of the property tax already allocated to schools – as determined in the plan. General law counties would have the authority to contract with another local government participating in the plan to execute aspects of the plan.
- **Local incentive fund:** A new Performance and Accountability Trust Fund would direct a small portion of the existing state sales tax rate (0.035 percent) toward counties with Action Plans.