

**The John C. Bollens/John C. Ries  
Lecture Series**

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The John C. Bollens / John C. Ries Lecture

**The Current Health  
of State and Local  
Government in  
California:  
What Prescriptions  
are Needed?**

Edmund D. Edelman  
Former Member  
Los Angeles County Board of Supervisors



The  
John C. Bollens/John C. Ries  
Lecture Series



The aim of the John C. Bollens/John C. Ries Lecture Series is to bring together the worlds of academic exploration and practical politics so that the work of those who serve the public will be illuminated by discussion of the broader principles and ideas of representative government. Such a synthesis is true to the spirit of the lecture's namesakes, distinguished professors both in the Department of Political Science at UCLA.

Born in 1920 in Pittsburgh, Pennsylvania, John Bollens earned his doctorate at the University of Wisconsin before joining the UCLA faculty in 1950, becoming a full professor in 1960. A most productive and influential thinker on local government, he was the author of 26 books, including a profile of California governor and presidential candidate Jerry Brown, and served in numerous important appointive positions in the City and County of Los Angeles, as well as in Chicago and Seattle.

Born in 1930 in Marysville, California, John C. Ries earned his doctorate at UCLA as one of John Bollens' most promising students. Following a hitch in the Air Force, he joined UCLA's Political Science Department in 1965. Known as a caring and dedicated teacher both at the undergraduate and graduate levels, he rose to become an associate vice chancellor, while maintaining his commitment to quality teaching at the University. An author or co-author of four books and numerous scholarly articles on defense policy and public administration, his life was tragically cut short by a brain tumor at the age of 57.

**Yvonne Brathwaite Burke**

Supervisor  
Los Angeles County

**Marvin Braude**

Councilman  
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**Edmund D. Edelman**

Former Supervisor  
Los Angeles County

**Donald Chisholm**

Assistant Professor, Political Science  
University of California, Los Angeles

Eleventh Annual  
John C. Bollens/  
John C. Ries Lecture

*EDMUND D. EDELMAN*

“The Health of State and Local  
Government in California:  
What Prescriptions Are Needed?”

**MR. CHISHOLM:** My name is Don Chisholm, and I get to make a few introductory remarks. It's my great pleasure to welcome you here to the Eleventh Annual Bollens/Ries Lecture on behalf of the Department of Political Science and UCLA. I'm pleased to present our speaker this evening, Mr. Edelman, who is the eleventh distinguished lecturer to speak since the inception of this series dedicated to the memory and legacy of John C. Bollens and John C. Ries.

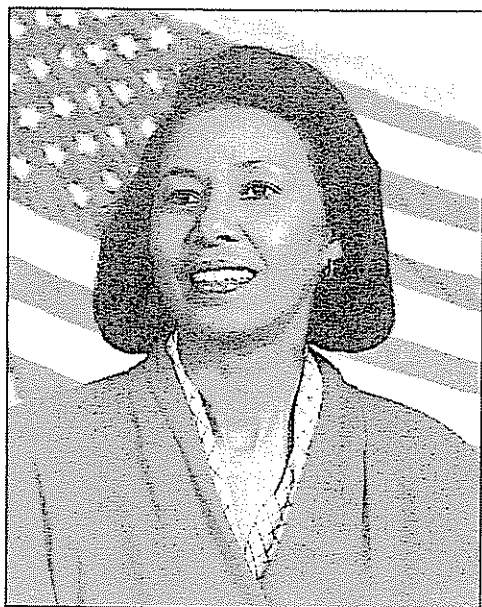
These two fine scholars and beloved teachers in the Department of Political Science at UCLA combined their scholarship with the very practical concern for the world of public affairs.

Jack Bollens was an expert on state and local government, authored numerous books and articles, but also served in important appointed positions in the City and County of Los Angeles, as well as in Chicago and Seattle.

A student of Jack Bollens, Chuck Ries published extensively on defense policy and public administration, and served both as

professor and as an associate vice-chancellor here at UCLA.

Bollens and Ries left equally important legacies in their many students who have gone on to careers in both public life and in academia. In focusing research on problems of public affairs, in combining the research and teaching with the practice of administration, Bollens and Ries continued a longstanding tradition in the American university.



*Supervisor Yvonne Brathwaite Burke is one of many students that John Bollens inspired to pursue a successful career in government. Burke, a former congresswoman and University of California regent, is the newest of the co-chairs to join the Bollens/Ries Lecture Series. Bollens was not only Burke's professor, but also her counselor while she attended UCLA.*

From its creation in the late Nineteenth Century, the American university has played an integral role in efforts to improve both public policies and institutions that make those public policies.

Indeed the modern social sciences, especially political science, cannot be understood apart from their dual origins in practical political reform with a modern scientific method.

In recent years some universities have

drifted away from this aspect of their larger societal role. UCLA has just this past year renewed its commitment by founding a new School of Public Policy and Social Research, with the specific intent both to produce skilled and motivated analysts and managers who will assume important roles in public life and to contribute directly to the public policy debate through the research of this facility.

I am sure that Jack Bollens and Chuck Ries would be very pleased at this development. So it is that this annual lecture was conceived to bring together the world of academia with the world of practical politics, with the hope on the one hand that the work of those who serve the public might be illuminated by discussion of the broader issues of government and, on the other, that members of academia might be brought closer to the subject of practical research.

The mix of previous speakers in this annual series reflects the celebration of their connection with public life: former vice president and U.S. Ambassador to Japan, Walter Mondale, U.S. Senator Dale Bumpers, and last year, former governor of Massachusetts, Michael Dukakis.

From academia have come professors Theodore J. Loew and James Q. Wilson, and our 1993 speaker, Stephen P. Erie from U.C. San Diego – Steve, will you stand up so people can see you? Thanks – he was a student of both Bollens and Ries.

This evening's speaker exemplifies the ideals of Jack Bollens and Chuck Ries. Let me tell you a little bit about Ed Edelman. He is one of our own. He was a student of Jack Bollens. In 1954 he graduated cum laude and Phi Beta Kappa in political science. In 1958 he received his law degree from UCLA. For the next two years he clerked for a U.S. District Court judge and then served as deputy counsel

to the California Legislature, followed by service as a counsel to the U.S. House of Representatives Subcommittee on Labor, and as a special assistant to the general counsel of the National Labor Relations Board.

In Los Angeles we're more familiar with Ed in his role as a Los Angeles city councilman from 1965, and most recently as a Los Angeles County supervisor from 1974 until his retirement last December, although really retirement is probably the wrong word.

Ed now has two jobs, one at Rand, and one specializing in the mediation and arbitrating of disputes. During his nearly four decades of public service, Ed's substantive policy concerns ranged broadly from labor issues to consumer affairs to children's welfare, to environment, to public transit, to the arts, to name only a few.

He helped to establish public agencies now regarded as providing effective solutions to serious policy problems. He is also noted for his skill as a mediator, having helped to avert or settle several public strikes.

Throughout, Ed has maintained close ties with UCLA, lecturing in the Institute of Industrial Relations and helping to initiate and then co-sponsor this lecture series this past decade. In 1987 UCLA Alumni Association awarded Ed the Award for Excellence in Public Service, which is one of the very finest awards that UCLA Alumni can offer.

One need know no more than Will Rogers to grasp that we now stand at the threshold of the most profound fundamental transformation of American public institutions in more than a century.

Although the new Democrats' proposal for "Reinventing Government" and the Republicans' "Contract with America" may pale in their radicalism when compared with the epic alterations of the former Eastern

Bloc states or even those of Great Britain or France in recent years, they nevertheless represent the extraordinarily comprehensive efforts that have gained momentum over the last two decades to reconceptualize the role of and form of our public institutions, and to implement new policies.

Difficulties in our economy have intensified the drive to reshape our public institutions. Consider some recent stories featured prominently by the *New York Times* and *Los Angeles Times*:

"Two groups citing savings urge privatization of city jobs."

"Babbitt almost had a shift in ownership of national parks."

"As subsidies near an end, goat ranchers fear extinction."

"Privatize the CIA." Radical ideas being considered.

"Alaskan Legislature pushes to loosen U.S. grip on lands."

"Hartford Connecticut seeking a company to run its public schools."

The contents of professional journals and books mirror their popular press counterparts. Nowhere is the potential for change more significant and more important than at the local level.

We sometimes tend to treat local government issues as mundane when compared to their sexier counterparts in state and national levels.

How, for example, can the routing of a bus line possibly compete in our imagination with the War in the Gulf, and yet, as Tipp O'Neill observed not so very long ago, all politics is local.

One need only ask the citizens of Long Beach about the planned closure of the naval shipyard or the citizens of Ventura County about the proposed closure of Point Mugu, to see the wisdom of his observation.

Local politics, more than state or national, affect the lives of people, where they live on the street. Are the roads paved? Is the trash picked up? Does the bus run on time? Are our children receiving good education? Are we safe from crime?

The list goes on. If these things were not enough, let me note that the electorates and budgets of Los Angeles City and County exceed, in size and expenditure, those of a good number of nations.

For these reasons, we had best pay very close attention to our local public institutions and policies, and we should, I think, weigh carefully – and on the basis of empirical evidence – any proposals to alter radically or dismantle those institutions that we have spent a century constructing.

It is particularly fitting then that Ed Edelman has agreed to speak to us this evening and reflect upon his thirty years in elective office in Los Angeles City and County. Ladies and Gentlemen, Ed Edelman. (Applause)

**MR. EDELMAN:** Thank you, Don. And those of you sitting in the back, take heart. It won't be a long speech. You'll get away early. Those of you who know me know that I'm not accustomed to giving long speeches.

I'm very pleased to be here tonight. Having worked on establishing this lecture series, and having been a student of Jack Bollens and known and worked with Chuck Ries, to set up this series, being ask to give this lecture is a special honor and the final culmination for me of a very long journey, through thirty years of elective office.

Someone asked what my topic was tonight, and I said it was "The Current Health of State and Local Government in California – What Prescriptions Should be Considered?" and they said, what should we feel about that?

I said, well take an aspirin, maybe two or three, and maybe that will make you feel better. Well, we're in a lot of trouble and a few aspirins will help.

Some people have asked how it feels not to be an elected official after thirty years.

That's the question I seem to get asked a lot, not what the problems are. Everyone knows what the problems are, too well, I'm afraid. But they say, what is it like to wake up in the morning and not be a supervisor, not be an elected official?

I say well it feels pretty good. Tom Bradley was asked that question a while back. He said he used to get up at 6:30 in the morning and read the newspaper. He was an early riser. Now when he gets up at 6:30, he reads the paper, sees what's going wrong with the County and City, closes it and goes back to sleep. I don't go back to sleep, because I don't get up that early in the morning, never did, never will. (Laughter)

I want to recognize a few people in the audience tonight, and Bob Geoghegan, my former chief deputy, who those of you know has been my alter-ego for all these years, is still my alter-ego and still gives me wise counsel.

So, Bob is really the driving force behind these lecture series. I mean, I get credit for them, but the connection between myself and the university really comes through Bob Geoghegan, who also was a student of Jack Bollens and Chuck Ries. Tonight he presented me with something to do, and I'm going to follow the orders of my alter-ego, and give to Virgene Bollens and Rita Ries mementos of the former ten lectures that we've had.

So, come on up, Virgene and Rita. These are all the front pages of the brochures of the former speakers. Thank you very much. (Applause)



*Former Supervisor Edmund D. Edelman presents mementos of the previous 10 Bollens/Ries lectures to Virgene Bollens and Rita Ries. Each received framed covers of the lecture pamphlets containing the remarks of the featured speakers.*

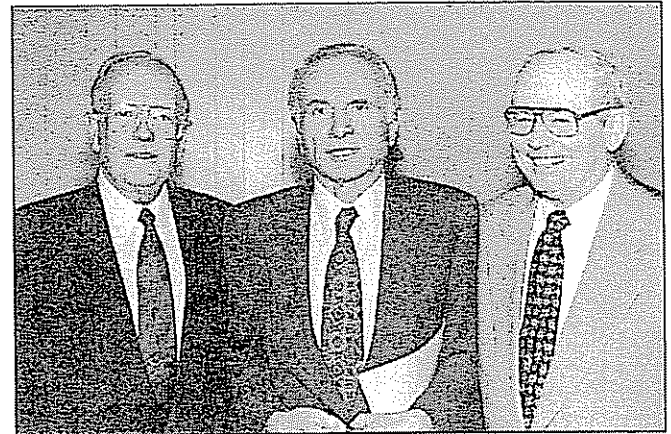
**MR. EDELMAN:** Now, we also have Carl Covitz, who gave one of these speeches with us. Carl, will you please be recognized? (Applause)

**MR. EDELMAN:** And we mentioned some of the UCLA political science people. Let me just recognize a few that are here, a former professor of mine who is going strong, and I seek his advice now that I'm at Rand. He's helping me get into the academic world out there, and that's Chuck Nixon. Chuck, will you please stand? Chuck taught political theory, and I learned a lot of political theory in his class.

Duane Marvick I think is here. Duane, where are you? Here he is. Duane, another political science teacher, and also Marv Hoffenberg, who is now retired. Where are you, Marv? He was very active in setting up these series. And Dave Wilson, David where are you? (Applause)

Now, Don mentioned the new School of Public Policy. We have the acting dean of the new School of Social Policy and Social Research here, Archie Kleingartner, and that's a good sign.

We also have some people from the County. I don't know why they come anymore because I can't give them pay raises, but they're here anyway, but I used to keep track of who came. I see Harry Stone is here. (Applause). Harry is the head of the Public Works Department, and we're happy to see him, and then we have the former CAO, Richard Dixon, who's here. I see Werner Hirsch back there from UCLA.



*Spanning the years of government service: Former Supervisor Edmund D. Edelman is pictured with Richard Dixon and Harry Hufford (also a Bollens student), former chief administrative officers for Los Angeles County. The Dixon and Hufford tenure as CAOs spanned 17 of the 20 years that Edelman served on the Board of Supervisors.*

I'm going to introduce Ray Remy, who is the head of the Chamber of Commerce in L.A. County – does a great job – and Mark Pisano, who does all the regional planning in this area as the head of SCAG.

Now, before I say a few more words, I want to recognize my staff that has been with me over the years because they should get credit for my being invited here. Please stand up former staff. (Applause)

Don Chisholm called me soon after I left elective office and asked if I would be interested in being the speaker for the Eleventh

Annual Bollens-Ries Lecture, and I said, let me think about it.

I was not ready to say yes, and I was not ready to say no. I took it under advisement, and I gave it about two weeks of thought. I was used to getting speakers for the series, but never did I anticipate being asked to be the speaker.

But, I was asked, and I thought, how could I say no? Besides, by the time that I decided to say yes, I realized how little demand there was for an ex-county supervisor to speak anymore.

So I said yes, and I now have an audience. An elected official always thrives on such audiences, and I don't want to let that opportunity go. Besides, I couldn't say no to being asked to speak at a lecture series named for Jack Bollens and Chuck Ries.

John Bollens, I called him Jack, was a teacher of mine at UCLA and I owe a great deal of my success in public life to him.

Jack was an expert in state, local, and metropolitan government. I was interested in his classes and interested in learning about local government. If you were in Jack's class it was always interesting, but the really exciting and challenging things happened after class when you got a chance to meet and to talk to him. He always had great insights on what was happening in local government. Always with a twist of infectious good humor.

Little did I know when I took Jack's classes in 1952 that I would eventually be running for elected office at the local level and have the chance to put into practice many of the things I learned from him.

Well, lo and behold came 1965, and I thought about running for City Council and naturally consulted Jack. He gave me a lot of ideas, including Charter reform. I think one of the reasons I won that City Council race when

I first entered politics was that I had the best platform and I wanted to accomplish important goals, which Jack Bollens helped to shape.

And I stayed in touch with Jack after I was elected city councilman. He helped me when I was involved as chairman of the Charter Administrative Code Committee, because Charter reform was one of his key issues. He knew what had to be done because he knew the Charter better than anyone.

When I became chairman of the Revenue and Taxation Committee in 1967, I consulted Jack again and he helped advise me in the area of municipal finance as well.

I met Chuck Ries when we decided how we could best remember and honor Jack Bollens. Chuck Ries had also been a student of Jack Bollens. He had served in the Air Force and came back to UCLA and became a professor. Chuck and I decided the best way to recognize Jack Bollens was to set up this lecture-series in his name dealing with politics, particularly at the state and local level.

We did, but unfortunately, Chuck's untimely death took him from us. And so, now the series is named after both these distinguished professors who gave so much to the university and to the community and influenced so many students to enter government service.

The health of state and local government in California? It's abysmal. What prescriptions are needed? Quite a few prescriptions, but let me tonight trace with you a thirty-year period, giving you some perspectives of what local government was like in 1965, what it is now like in 1995.

The 1960s was a period of great interest and support for government. Government was looked upon as an agent for bringing

social change to improve human conditions. It was looked upon as a way by which we could improve our environment.

It was a means by which we could improve our lives. I recall, as the chairman of the Revenue and Taxation Committee, supporting new taxes and my colleagues voted with me.

I came up with the idea to look at the ten-year revenue needs of the city. I called in experts and held public hearings. In fact, Jack Bollens helped to assist in identifying economists, political scientists and others that would testify.

These experts testified before the City Council committee that I was chairman of, although one of my colleagues in the City Council said we ought to keep the "eggheads" out of City Hall.

Anyway, we had these series of hearings, and out of those hearings came some proposals that later were adopted. One was a new utility tax, imposing a utility tax on the use of gas, electric, telephone, water. I remember when I proposed it, there was very little or no opposition.

Now, can you believe today in 1995 even proposing that tax? Anyone even proposing any tax? But here I proposed a tax, got it through the City Council and the mayor signed it. Maybe there was one vote against it. I don't even think so. Why so little opposition? Because at that time people saw a relationship between taxes and services. They saw services being needed and helpful to everyone, not just themselves, but to everyone.

I remember Mayor Yorty telling me at the time, don't worry about passing a tax for municipal services as the electorate would support municipal services. I'm not sure that that advice would be given by him or anyone else today. Now, that's quite a leap from 1965

to 1995, but it was a different period of time.

In 1965, we still recalled that we had come through the Great Depression and won the Second World War with the help of an active government. In 1965, we were competing against the Soviet Union in winning the Cold War. The U.S. government was also key in that endeavor.

In fact, starting with Roosevelt's New Deal in the 1930s, government was seen as an agent to assist people, not something that would hurt people. My experience with government, and I think most people's experience with government at that time, was that it was a vehicle for assistance, not a vehicle to tax and spend without any benefit to anybody.

We had President Johnson coming to power, and he tried to win the war at home on poverty and the war abroad in Vietnam. So, we had butter and guns. As a result, we had the beginnings of serious inflation.

Nixon took office in 1968 and froze government wages in an attempt to slow the trend, but inflation continued. To a great degree, the spiraling inflation sowed the seeds for the problems that we later suffered.

In the 1970s, the very high inflation continued under Carter. The inflation was at 18 percent, and the local government and state governments indeed were reaping the benefit with surplus in their coffers.

However, the same inflationary pressures that were increasing revenues for government were also dramatically pushing up the price of single family homes. The skyrocketing prices on homes that were sold, in turn, drove up the assessed values on comparable property and meant that all homeowners had to pay much higher taxes even if they had no intention of selling their house.





I was right there in the trenches in 1976-77. I remember people coming to the Board of Supervisors protesting the large reassessments on their homes, and I was sympathetic to them. Unfortunately, we had to point the finger at Sacramento and say, "You have to change the assessment policies; it can only be done by the state because assessment practices are regulated by state law."

We could reduce the tax rate, as we did in those days, but that gave no solace to the individual homeowner because his or her assessment had gone up so much that you could reduce the individual tax rate of the city, county and school districts, but the overall taxes that he or she was paying would still go up. In some cases, it went up 60%, 70% in two or three years!

So, the first of the seeds of the tax revolution were being planted.

I remember meeting Howard Jarvis when I first became a city councilman. He was a member of Beverly-Wilshire Homeowners Association. He was talking about his idea of reducing government spending and beating up on elected officials for government waste. These ideas later became very popular and are now very much in vogue.

He did not have much credibility at that time. Indeed, the first efforts that he made to qualify something like Proposition 13 were a failure. But he was out there in the hustings. At the time when he did qualify Proposition 13, he was on the payroll of the Apartment House Owners Association of Los Angeles County.

I remember debating him during the 1978 campaign on Prop. 13. I would say, "Mr. Jarvis, aren't you concerned as a good Republican" – I assumed he was a conservative Republican. I said, "Aren't you concerned about what happens to local government if Proposition 13 is passed? Aren't you doing away with home rule?"

It was clear that you were cutting in one fell swoop two-thirds of the property tax that heretofore had supported schools, cities, counties, and special districts. And special districts were 100% funded by property taxes. The loss was \$7 billion from local governments.

"Aren't you concerned about what's going to happen?" He said, "Don't worry about it. The state has a large surplus," and indeed, he was correct.

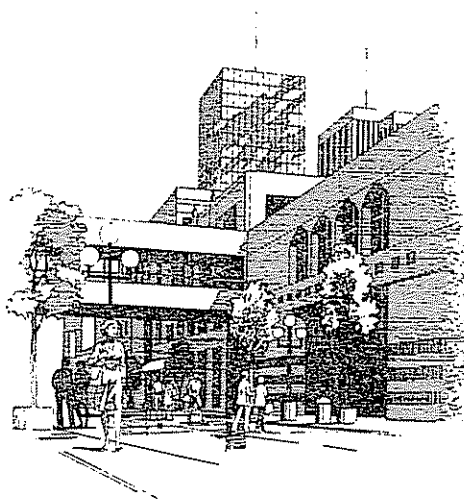
No one knew the amount of the surplus at that time. It turned out that it was around \$6 billion. I said, "Aren't you concerned that no matter what the surplus is, that the decision-making power that used to reside in local government is going to be shifted to Sacramento?"

"No, I'm not worried about that."

California – with 450 cities, 58 counties, 3,000 special districts – had prospered under home rule. We had a tradition of home rule, which meant that local decisions were best made by local elected officials, rather than miles away in Sacramento.

Indeed, however, Proposition 13 has eroded the home rule principle and tradition that was the bedrock for local governmental entities in California.

Something needed to be done to help homeowners who were losing their homes because of the high tax increases. They weren't generating income from their homes, like industrial and commercial properties. But Jarvis's approach was to help not just homeowners. He gave relief to commercial and industrial property owners: Mobil Oil, Standard Oil, May Company.



It was tax relief that was not even asked for. Mobil didn't ask for this relief. The big corporations didn't ask for this relief.

The apartment house owners asked for this relief, yes. It could have been limited. I said, "Mr. Jarvis, why didn't you limit it?"

"Well, I wanted to treat all property equally," he said. I replied that you didn't have to. "There is a rational basis to treat different property differently, depending on the type of property and whether or not it earned income."

If property tax relief was just used to help homeowners, fine. I supported that, but to

help all property owners that didn't necessarily need the help, to cut from schools, to cut from cities, to cut from libraries, to cut from special districts, this kind of cut was unnecessary, was unfair, and I fought against it vigorously.

In 1974, before Reagan had left the governor's office, he put Proposition 1 on the ballot. Proposition 1 was a revenue limitation measure similar to Proposition 13, but it failed at the polls.

In 1968, Phil Watson, the assessor of L.A. County, wanted to reform the property tax system. He also got something on the ballot similar to Proposition 13, but it also failed. However, because conditions were ripe, inflation was running high, and there was a surplus in Sacramento, in 1978 Proposition 13 passed.

It's since been upheld by both the California and the U.S. Supreme Courts.

Remember, after Proposition 13 passed, Jerry Brown was Prop. 13's best friend. He was going to make it work and, indeed, he made it work for a long time, providing state surplus funds to the local agencies. Those cookies lasted for awhile, but the cookie jar is now empty.

The state is now facing not a surplus of funds, but a shortage of funds. They've had to borrow the last three years to simply maintain their state budget.

Also, they've taken money away from local government. In 1993, I was chairman of the Board of Supervisors. I was ready to do battle to try to protect the County. The state was contemplating a massive shift of property taxes from local government to the schools to meet the state's obligation under Proposition 98. And the state did not want to raise additional taxes to meet their obligation. They

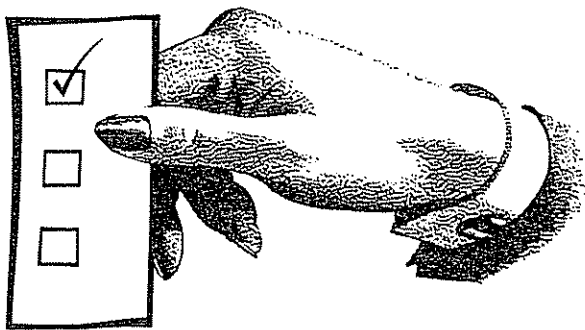
simply took from cities, counties and special districts property taxes that were used to bail out local government after Proposition 13.

In California today, there are a lot of people thinking about the best way to restore home rule. Think tanks and foundations believe that California is not going in the right direction. In fact, the recent Rand forecasts indicate that by the year 2002, the amount of money that goes into the state treasury will be eaten up by the schools, welfare, health and the "Three Strikes, You're Out" ballot initiative that passed a few years ago.

However, "Three Strikes, You're Out" is going to increase the amount of state spending on prison costs from 4 percent to 14 percent of the state budget. This means that higher education and other spending of the state will be shrunk. That has some significant implications for this university and for other important state programs.

In California we have to consider a number of prescriptions to get the state back into shape to solve all the problems that we face.

First, the initiative process has to be changed. I'm for keeping the initiative, and I think most people want to keep the initiative process, but, for making it work better.



Today, we have the initiative being cleverly utilized by special interests and, indeed, these special interests can get something on the ballot with a clever signature-gathering

campaign. Once an initiative is circulated, there's no chance for any kind of public scrutiny of the initiative and there can be no changes.

Then the courts have to be called in. You have to have expensive litigation, and you find yourself unable to rectify a problem that's set in the Constitution.

So, we need to improve the initiative process. I've suggested and others have suggested that we make the initiative an "indirect initiative," so that after the threshold number of signatures on a petition are obtained, it automatically goes to the governor and the Legislature. And if the governor or the Legislature have not acted on the issue during a certain period of time, then the proponents of the initiative can continue to get more signatures and qualify it for the ballot.

But at least the governor and Legislature are brought into the process. They're no longer on the sidelines.

Many times the Legislature and the governor just sit on the sidelines, thinking that the initiative is not going to qualify. Lo and behold, it qualifies. That's what happened with Prop. 13.

Then the Legislature tried to put an alternative to Proposition 13 on the ballot known as Proposition 9, but it was too little and too late.

Initiatives are drawn up in private. If you make it subject to the scrutiny of the Legislature and the legislative process, you have public hearings, you have the opportunity for appropriate give and take. And indeed, you will come out with a better written initiative and better written law. So, we must deal with the initiative.

Secondly, we have to change Prop. 13. I think it's foolhardy to think that we should continue Prop. 13 as it is. It wasn't written by

the Almighty. It wasn't written in Heaven. It was written by mortals. It can be and it should be changed.

Now, how should it be changed? Well, commercial and industrial property don't change hands as often as homes do. Homes are sold frequently. Every five or seven years. Commercial and industrial property is not sold as frequently and we need to periodically reassess them every four years.

The revenue from that reassessment should go to local government. The state should not have any access to those funds. It should go to local government, to cities, counties, special districts, libraries. This change would bring revenue stability to local governments and help restore home rule.

Libraries. I sat through painful hearings on the Board of Supervisors in 1992-93. That's when the state shifted a substantial portion of the property tax from the counties to the state for schools, and the libraries were hit hard.



Well, the state took a substantial chunk of the County's property tax. We had to close fifty libraries out of the eighty that we operate and decrease the hours at others. People would come down to the Board of Supervisors because we would be holding hearings, and they'd start blaming the Board.

They'd say, "Supervisors, why don't you do something to keep the libraries open?" I'd say, "Wait a minute. We didn't shift the property tax. The state Legislature did it, and they did it overnight in secret so the budget would be completed on time."

In my judgment, if we get this reassessment on commercial and industrial property, the added revenue should belong to the local governments, which need a stable source of revenue to keep their services going. I think that kind of reform of Prop. 13 would be very appropriate.

I think another approach would be to help people who bought homes after the 1975-76 threshold date. They're paying much more, in terms of the property taxes, for the same properties, generally, as someone who bought before.

I think that's an inequity that should be rectified, but certainly we should eliminate this failure to reassess property. Many of you may not know that Prop. 13 was amended to allow properties to be transferred within families, to spouses, or to sons and daughters, without being reassessed.

We are creating a family property dynasty. I'm not sure that many people are aware of it. Residential property in California can now avoid any reassessment if it is transferred to a spouse or a member of the family.

This, to me, sounds like we're in a hereditary monarchy, where property is passed without any kind of tax consequence.

Now, these are just two of the issues in Proposition 13 that must be addressed. They must be talked about, so that the public can be aware of what the issues are.

As I said, we are blessed now in California to have many public institutions and foundations looking at California's problems, including Rand where I am now working as a senior fellow.

We have here at UCLA a new School of Public Policy and Social Welfare. We have the Constitution Revision Commission that's now taking testimony and holding hearings throughout the state so they can make significant recommendations.

These recommendations will be made to the state Legislature and the governor this August. Right now they're working with the League of Women Voters to hold hearings throughout the state, dealing with these issues.

We have the California Policy Seminar. The University of California has, over the years, published papers on California's problems based on research done by its distinguished faculty.

We have the California Constitution Project, which is a cooperative, joint venture between the Center for Economic Policy Research at Stanford and the Institute for Governmental Studies at Berkeley.

They're going to be presenting papers on various issues. In fact, I'm going up to Berkeley to speak on local government when one of the papers is presented on home rule. They're presenting papers on reorganization of the state executive branch. They're also going to be presenting a paper on the budget.

We have a Center for Governmental Studies that's operating in Los Angeles that is looking at reform of the initiative and budget process.

Recently the Public Policy Institute of California was established by William Hewlett, who gave \$70 million to set up a think tank dealing strictly with California's problems.

And we have others that I haven't mentioned to you, including the California Business - Higher Education Forum, which has published valuable research on California issues. So, there's no shortage of public policy analysis and recommendations. There will be no shortage of sound ideas.

The problem, as I see it, will be with the elected officials, the policy leaders, the policy makers. Will they listen and do something about these problems?

I fear that within the Legislature and between the governor and the Legislature we have so much partisanship between the Democrats and Republicans that, to some degree, it is a hindrance toward bringing some of these issues to a resolution.

Most elected officials, unfortunately, consider their party and themselves first. "How does it play for my party? How does it play for me politically? What is the benefit in this position that I'm taking for me to get reelected?"

I think that kind of partisanship, that kind of attitude is harmful. We need to get beyond that attitude.

Some of these issues can be dealt with in a bipartisan way. I recall that back in the sixties when I first got elected, Nixon was successful domestically. I mean he had his problems and Watergate didn't help (laughter), but prior to that he worked with Democrats to set up the EPA, revenue sharing and other positive programs.

We have a failure to work together today by virtue of our partisanship, on both sides of the aisle. Too much is based on party and

self. "What's good for myself?" "What's good for my party?" I think this is a sad reflection on our political leaders.

We have lost the public will, the public interest, to do what's good for the public. I am reminded, and I don't want to be too partisan here, but I am reminded of the '84 campaign when Mondale and Reagan were running against each other for president. Reagan had been elected in '80. He wanted to continue on in '84. He asked the question: "Are you better off than you were four years ago?" That was his question, and I submit that that was the wrong question to ask.

Not are you better off. Are WE better off? Are we as a community, are we as a country, are we as a state, are we better off? And I think asking "Are YOU better off?" sees the world in a way that is very narrow, without looking at the overall context in which we all live and in which we all have to exist with one another, whether we exist with one another on the community level or state or national level.

We can't just ask, "Are you better off?" That's the failure of our times.

I think this kind of narrow interest and partisanship that emphasizes "what's good for me is what counts, what's good for my group is what counts" is the kind of fractional politics that has to come to an end. I think that, obviously, we need to raise the consciousness clearly of what the public policy options are, and then indicate how those public policy options will make all of our lives better, not just as individuals, not just as groups, but as overall members of the community, members of the state, and members of the country. Thank you very much. (Applause)

Questions? Yes.

**QUESTION FROM AUDIENCE:** Could you explain how the "Three Strikes, You're Out" initiative will impact the state of California?

**MR. EDELMAN:** The Rand study, which was an excellent one, showed that the cost will significantly go up to build prisons, which will take away from higher education in the state budget. The Rand study showed that you could spend a lot less and get the same result.

I think it's \$7 billion we're putting into prisons, and we're releasing petty offenders at the front end. People have committed misdemeanors and they're let off virtually scot-free because we don't have the space for those convicted of misdemeanors.

So, they won't understand that if they violated the law, they're going to be punished.

It's not well thought out. It's going to cost a lot of money.

**QUESTION FROM AUDIENCE:** Why did you choose to leave elective office?

**MR. EDELMAN:** I was told that if you get elected supervisor, you're going to be powerful. That's why I went into politics, to do good things. What disturbed me the most was that as people saw that they couldn't get their problems solved with local solutions, because we didn't have the money, they would go to Sacramento, bypassing the Board of Supervisors.

Let me give you one example. After the state shifted the property tax in 1993, the governor did authorize a quarter cent sales tax for public safety, but that didn't make up for what was lost.

Then the County took the money for public safety and interpreted it broadly, so we could use it to help all the County services.

Well, then comes the D.A., the sheriff, all the law enforcement trekking up to Sacramento, and they say, "We want you to tell the Board of

Supervisors that they should spend the same amount for public safety as we spent the year before." The state enacted a maintenance of effort formula on all counties.

That's taking away the local supervisors' judgment on how to best meet local needs. The state is now telling us how to spend the money.

Now, this makes no sense.



We have to spend it according to someone else's view, hundreds of miles away who weren't elected to solve the problems here locally. They were elected to solve state issues, not local ones.

**QUESTION FROM AUDIENCE:** Are there other ways to raise revenues?

**MR. EDELMAN:** There are other ways to raise revenue. Let me just suggest several to you.

California doesn't have an oil severance tax. That ought to be looked at. Texas has it. Why can't we have it? We're a big, oil-producing state, but the oil interests have blocked a severance tax in the state Legislature.

We don't have a tax on services that you buy and use. We have a tax on goods that you buy. We did exempt for awhile candy and other things, but why not reduce the overall sales tax rate, which you could do to get the

public to support it, and extend the tax to sales of services in order to increase total revenues?

At least that ought to be looked into. That would raise substantial sums of money. But no one is talking about this.

I say, no one. I say that. But that's not entirely true. People in think tanks are talking about it. The Constitution Revision Commission is or should be addressing this matter.

So, the debate can be raised. The issue can be joined, instead of just saying, "Oh, we can't do anything. We're hopeless. Let's forget about it. Let's get out of California. Let's leave."

That is the wrong approach. We have the power in our hands to change if we want to, if we get organized, and you know, people are not fools. When, after Prop. 13, Jarvis came back and said, let's cut the income tax of the State of California by one half, guess what: People voted it down.

They didn't go for that because they saw that government is not going to have any money at all. If you cut the property tax of local government and the income tax of the state, too, what is there left?

The people turned that down. So, it's a matter of education. It's a matter of getting the opinion leaders to start looking at these issues.

**QUESTION FROM AUDIENCE:** What can be done to try to get liberals to be as active as the conservatives now?

**MR. EDELMAN:** Well, the think tanks can't be in the business of helping one side or the other. Otherwise they lose their independence.

So, it's not up to the schools of public policy or Rand or the California Policy Institute or these other organizations I mentioned to try to help one side or the other.

That's not their function. What needs to be done is to get liberals more organized. That should not come from these think tanks. That should come from people like yourself or anyone who is free to organize and join, talk and so on.

The wonderful quality of our democratic society is that you have one group over here that gets organized. That's good. Then you have another group that competes with that group. If the so-called liberals cared that much to defeat or stop what they see going on in Washington, they should get better organized.

They have it within their hands. People have it within their power to get organized. Get organized. Get votes. Join groups. Talk. Speak. Contribute!

This is not a society that stops that. We have a free society. We have whatever you want to join, whatever groups. Assuming you're not carrying on any illegal activities, you should join.

This is the beauty of the American system.

**QUESTION FROM AUDIENCE:** Is Proposition 13 being adequately examined today?

**MR. EDELMAN:** Not as much as it should be. We have a publication put out by the California Business Higher Education Forum, a very good group, made up by the University of California and private universities, Claremont, USC, Stanford, and the top business people in the state.

Those recommendations talked about changing Prop. 13. They talked about reestablishing home rule. They talked about the initiative process. They talked about reforming the state government.

So, it's out there. It's a matter for this material to be digested, to be used by people on both sides. It shouldn't be a liberal or con-

servative issue. It's a matter of just good, common sense to make policy decisions based upon fact, information and reason.

**QUESTION FROM AUDIENCE:** Do term limits help or hinder opportunities for change?

**MR. EDELMAN:** On the one hand you could make an argument that people in office for a limited amount of time, knowing that they're there in that one office for that limited time, won't care too much about the consequences of their actions and, therefore, they will be bold, and they'll take action that might bring about greater change.

One could argue that. On the other hand, one could also argue that if you're in office and you have some institutional memory, because you've been in office more than two terms, more than eight years, maybe twenty years, maybe thirty years, you might then understand how important it is to make some changes to bring back what you saw take place during that 20- or 30-year period. You also know that you will have to live with the consequences of your decisions.

I don't have an easy answer to that. I'm not a supporter of term limits. I think the ultimate decider of term limits is the electorate. If they think you're not doing a good job, they vote you out. If you're doing a good job, they vote to keep you. The great problem with term limits is that you don't have to live with the consequences of your decisions. And you are always running for another office or another job.

**QUESTION FROM AUDIENCE:** Have we reached the point of a crisis that is perceived by the public, so that you can galvanize change to take place? Have we reached that point?

**MR. EDELMAN:** No, in relation to Prop. 13, I talked about all these horrible things that would happen. I thought they would happen



when I fought against Proposition 13. I really did. I didn't know that Jerry Brown had all those surplus dollars, cookies in the cookie jar. Why haven't they happened? The surplus bailed us out for awhile.

Secondly, the government worked, even despite the cut of magnitude of billions of dollars, because they've come up with innovative ways to generate revenue. Not as innovative as Orange County. (Loud laughter) I mean, that was really innovative. That is one of the great innovations. Let's make money on our investment pool, and we don't have to mention the "T" word (taxes). We'll just raise this revenue and not mention the "T" word.

I happen to believe that you make revenue for your city or your county the old-fashioned way. You do it by the "T" word. Now, there's political risk in the "T" word. Los Angeles County has been creative in sound fiscal ways. We have benefit assessment districts. We license county property, or we've leased our use of public facilities for advertising or for commercial use.

When you go to the beaches, you see suntan oil advertised on lifeguard stands and trash containers. The beaches get money from that.

We even went so far as taking the county coroner's office logos and licensing them for revenue - this was too much for me. The logo was put on toe tags to sell. Toe tags, which you know, are for the bodies of people who are brought to the coroner's office. They need to be identified, and toe tags are placed on them.

They sold the coroner's logo to a Canadian advertising company along with the logo on beach towels with outlines of a dead body. I thought that was too much. I voted against this. We don't need to advertise death by



raising some revenue and selling the coroner's logo. We already have a reputation for extensive violence in our county.

The ingenuity of government has kept the disaster from happening, but it's happening little by little.

The quality of life is deteriorating. We don't see it in a dramatic way because government has managed to raise fees and charges. They've done all these things to try to keep government afloat, and they've done a pretty good job.

That's the problem.

**QUESTION FROM AUDIENCE:** Won't campaign reform help the political process?

**MR. EDELMAN:** You know, I don't think campaign reform alone is the answer. I think some elected officials are susceptible to being influenced. Some are not. That's not the underlying problem. I know there are others who disagree with me and say, well, accomplish campaign finance reform and you'll solve all the problems.

I don't think so. You need a change of values, and a lot of that can only come about through public education and leaders leading rather than following. Most people don't

know that 50 years ago, 1945, April 12th, Truman ascended into the presidency, and he was a product of the machine politics, the Pendergast machine in Missouri.

He was a county supervisor. They called them "judges" in Missouri. He stood up when the machine asked him to give some contracts to its friends. He said, I can't do it, I am not going to do it, and from then on the machine respected him.

He stood his ground. He did what was right, didn't take litmus tests and public opinion polls, didn't have gurus advising him on what positions to take that were popular.

When he was in office and when he left, he was unpopular, but he made the right decisions because he put the public interest first, over his party and personal popularity.

History has judged him as a greater president than he was at the time he was president. In 1952 when he left office, he was reviled. He felt that he did what was right, and that's all that mattered.

What we need clearly are elected officials who take the risk of getting defeated and stand for what is right. I'll tell a story about a congressman from Vermont who served in the Congress. He said, I'd rather serve one term voting for what I think is right than ten terms voting for what I know is wrong.

He was a one-term congressman. That's okay. He made his contribution. He did what was right. He didn't follow a litmus test.

Now, presidential candidates of both parties take litmus tests, use focus groups. In my judgment, elected officials aren't leading. They're following, and they're following because they're scared.

The problems are so complex today, if you want to talk truth to the American public it's going to be a risky proposition, but someone

has got to lead. In fact, you see the Ross Perot third party movement becoming stronger because the American public has lost confidence in the credibility of either party.

**QUESTION FROM AUDIENCE:** Why did you stay in office so long?

**MR. EDELMAN:** I really enjoyed the time I had to use my power to accomplish what I thought were positive things that needed to be accomplished in our County for all the public good.

I enjoyed the comraderie, too, of being a part of a group of people who were given the privilege of leading. Even though I disagreed with some of my colleagues, I enjoyed having the opportunity to deal with important issues from a different perspective. I had freedom, too, as a supervisor to work on matters that I felt were important. I had an outstanding staff.

Some of my colleagues said, "Oh, he's interested in the arts; let him be interested in the arts." Well, I did a lot for the arts. I did a lot for the homeless. I did a lot for mental health. I did a lot for children.

I could do what I wanted to do as a supervisor. This was a great job, one of the great jobs of all elective offices, better than even governor, better than U.S. senator.

Sure, I wasn't known throughout the state of California. I didn't need to be known. I didn't want to be known. I had my privacy. I had the best of all possible worlds as a private and public citizen.

Generally, I could do what I felt was right and could be effective. What I enjoyed most was the ability to get things done. I had a sense of purpose. The feeling that if I weren't there, things wouldn't get done. This was most satisfying.

I have fond memories of getting started as a young person at UCLA with the help of John Bollens and others at UCLA.

Yes, the last question, and then we're going to have to end it. Yes.

**QUESTION FROM AUDIENCE:** What do you think about the chances of these two changes, Proposition 13 and the initiative process, being approved by the voters?

**MR. EDELMAN:** It's going to take a long time for the public to adopt these changes. It's very easy to shoot down these changes. Many will say the initiative should be kept as it is. It is harder to get things done than to find fault.

Well, we see that the initiative has defects. The best part of it can be saved, and we can improve it. Proposition 13 is going to be very difficult because people look on that as sort of the Bible. It's the word of God. We can't touch it.

It's been touched to give this special exemption to families and to older homeowners. It should be changed, and it will be changed.



It's a matter of people seeing the need and then making the change so it makes sense, and keeping the protection for homeowners, so they don't have the same problems they

had before, but getting commercial and industrial properties to pay their fair share and restore home rule.

Let's help cities, counties, and special districts protect their revenue base so that the services for police and for fire can be maintained. That's how you've got to sell it.

It's going to take some time, but I'm optimistic, with all these wonderful groups that are out there doing public policy analysis. There has to be coalition building, bringing the diverse groups together which make up California.

We all need a California that works. We need a California that's golden again. We need enlightened self interest that puts public interest above narrow selfish interest.

So, I'm optimistic. Let me just say, thank you all for listening to me. Hopefully, I didn't talk too long. (Applause)

**MR. CHISHOLM:** Well, thank you for coming, Ladies and Gentlemen. That concludes the formal part.