



California State Legislature
Senate Local Government Committee

Governments Working Together

*A Citizen's Guide to
Joint Powers Agreements*

August 2007

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Dear Reader:

For more than 85 years, state law has allowed public agencies to work together by signing joint powers agreements (JPAs). Some JPAs are cooperative arrangements among existing agencies, while others create new, separate institutions called joint powers agencies. These unique forms of government affect our daily lives, though many people are unaware of their importance --- or even of their existence.

Governments Working Together will help you understand what JPAs do. Becoming familiar with the JPAs in your community can also provide valuable insight into how your governments work --- and provide great examples of what your local governments do for you.

The Committee appreciates the patient perseverance of Colin Grinnell who compiled the original research and wrote the early drafts of this citizen's guide which Trish Cypher augmented with additional research and writing.

Respectfully,

GLORIA NEGRETE McLEOD
Chair



Senate Local Government Committee

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Governments Working Together
A Citizen's Guide to Joint Powers Agreements

By Trish Cypher and Colin Grinnell

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Introduction

“Joint powers” is a term used to describe government agencies that have agreed to combine their powers and resources to work on their common problems. Joint powers agreements (JPAs) offer another way for governments to deliver services, but sometimes the public does not understand JPAs.

This citizen’s guide explains JPAs, outlines their advantages and disadvantages, and describes how public officials use this special government arrangement to deliver better services and facilities. In addition to deciphering the world of JPAs, this guide provides a better understanding of how JPAs fit into local and state government operations.

What Is a JPA?

Joint powers are exercised when the public officials of two or more agencies agree to create another legal entity or establish a joint approach to work on a common problem, fund a project, or act as a representative body for a specific activity.

Agencies that can exercise joint powers include federal agencies, state departments, counties, cities, special districts, school districts, redevelopment agencies, and even other joint powers organizations. A California agency can even share joint powers with an agency in another state.

Examples of areas where JPAs are used commonly include: groundwater management, road construction, habitat conservation, airport expansion, redevelopment projects, stadium construction, mental health facilities construction, educational programs, employee benefits services, insurance coverage, and regional transportation projects.

Even the JPA acronym can mean different things --- joint powers agreement, joint powers agency, and joint powers authority --- which may create confusion if people do not use the terms carefully. These descriptions show how widely public officials use JPAs.

A **joint powers agreement (JPA)** is a formal, legal agreement between two or more public agencies that share a common power and want to jointly implement programs, build facilities, or deliver services. Officials from those public agencies formally approve a cooperative arrangement.

JPA is an acronym used for three different terms:

- **Joint powers agreement.**
- **Joint powers agency.**
- **Joint powers authority.**

Think about the use of joint powers as a confederation of governments that works together and shares resources for mutual support or common actions. The government agencies that participate in joint powers agreements are called member agencies.

With a joint powers agreement, a member agency agrees to be responsible for delivering a service on behalf of the other member agencies. For example, the City of San José signed a joint powers agreement with Santa Clara County to jointly administer redevelopment funds. San José's city manager administers the agreement's terms. In another example, the City of Palo Alto has a joint powers agreement to provide cable television service to area residents, and a Palo Alto city employee administers the agreement.

A joint powers agreement is so flexible that it can apply to almost any situation that benefits from public agencies' cooperation.

Each joint powers agreement is unique, as there is no set formula for how governments should use their joint powers. One agency will administer the terms of the agreement, which may be a short-term, long-term, or perpetual-service agreement. If a joint powers agreement requires substantial staff time from one member agency,

but not the others, the managing agency may hire extra staff to work on the joint powers project.

The alternative way to exercise joint powers is to create a new organization that is completely separate from the member agencies. This organization is known as a joint powers agency or joint powers authority.

A **joint powers agency** or **joint powers authority** (JPA) is a new, separate government organization created by the member agencies, but is legally independent from them. Like a joint powers agreement (in which one agency administers the terms of the agreement), a joint powers agency shares powers common to the member agencies, and those powers are outlined in the joint powers agreement.

If an agreement's terms are complex or if one member agency cannot act on behalf of all members, forming a new government agency is the answer. This new agency typically has officials from the member agencies on its governing board. For example, three local governments formed the Belvedere-Tiburon Library Agency in July 1995 as the legal governing body of a new independent community library. Its seven-member board has three trustees appointed by the City of Belvedere, three by the Town of Tiburon, and one by the Reed Union School District. This library JPA has the same responsibilities as any public agency, including personnel, budgeting, operations, and maintenance.

Sometimes public officials establish JPAs specifically to arrange capital financing by selling bonds. These bonds create the capital needed to finance construction of public facilities. Public officials sometimes call this type of JPA a joint powers authority or a public financing authority (PFA).

A joint powers authority (JPA) can also be called a public financing authority (PFA).

Public financing authorities include agencies formed to fund capital projects, such as the Berkeley Joint Powers Financing Authority, which resulted from an agreement

between the City of Berkeley and the Berkeley Redevelopment Agency. Bonds issued by this JPA provided the capital to build public facilities and the costs will be paid back over time by the Authority and from the revenue generated by the projects.

Why Form a JPA?

Why would a public agency enter into a joint powers agreement or form a joint powers agency? JPAs exist for many reasons, whether it's to expand a regional wastewater treatment plant, provide public safety planning, set up an emergency dispatch center, or finance a new county jail. By sharing resources and combining services, the member agencies --- and their taxpayers --- save time and money.

The Marin County Hazardous and Solid Waste Management Authority is an example of a cost-saving JPA. It provides garbage and recycling collection and household hazardous-waste disposal service to residents of 12 cities and towns and the unincorporated areas of Marin County. In fact, many solid waste JPAs (known as regional waste management authorities) show the efficiency of joint powers arrangements.

Officials create JPAs to:

- **Cut costs.**
- **Be more efficient.**
- **Reduce (or eliminate) overlapping services.**
- **Share resources.**

All levels of government use JPAs to tackle common problems. The North Coast Emergency Medical Services JPA provides emergency medical services to the residents of Del Norte, Humboldt, and Lake counties. These counties pooled their resources and purchased equipment that the member agencies now share.

Federal and state agencies also join JPAs. The Santa Monica Mountains Conservancy (a state agency formed in 1979 to acquire open space in the Santa Monica Mountains) and the cities of Brea, Diamond Bar, La Habra Heights, and Whittier are members of the JPA called the Wildlife Corridor Conservation Authority.

When public officials create a joint powers agency, the new organization may not necessarily include “joint powers” or “JPA” in its name. Yet, if a public organization relies on a joint powers agreement, the organization is a JPA, regardless of its title. JPAs are not special districts, redevelopment agencies, or nonprofit corporations, although these agencies can enter into joint powers agreements.

Among the terms found in JPAs’ official names are: agency · alliance · association · authority · board · bureau · center · coalition · commission · committee · consortium · cooperative · council · district · facility · fund · group · institute · JPA · league · network · organization · partnership · patrol · plan · pool · program · project · region · service · services · source · study · system · trust · zone.

The History of California's JPAs

The concept of allowing public agencies to share powers started in the 1920s, when tuberculosis was a serious public health threat in the Bay Area. San Francisco officials lacked adequate facilities to treat tuberculosis patients and the city's damp, chilly weather was not favorable to their recovery. Just across the Bay, Alameda County had a more favorable climate and a tuberculosis sanitarium, but Alameda's facility did not have enough room for San Francisco's patients. This predicament created an opportunity for San Francisco and Alameda to work together on a solution, but the counties lacked the legal means.

In 1921, Senator M.B. Johnson (R-San Mateo) authored Senate Bill 18, which allowed any two cities or counties to enter into agreements and provide funds to exercise a power common to each. After the bill passed, Alameda County and the City and County of San Francisco drafted an agreement to share their resources and expand Alameda's tuberculosis facility. Although this arrangement was controversial, a 1923 California Supreme Court ruling upheld the new joint powers law.

Nearly 20 years later, the Legislature authorized special districts to form JPAs. SB 584 (DeLap, 1941) allowed irrigation districts to construct bridges and water projects in the Central Valley with funding from their respective counties. A few years after that, the Legislature allowed the federal government and state agencies to enter into JPAs with California counties, cities, and special districts (SB 468, Salsman, 1943). Then, in 1947, the Legislature paved the way for the creation of a separate government agency --- a joint powers agency --- to operate independently of its member agencies (AB 1573, Allen & Evans, 1947).

In 1949, the Legislature renumbered and combined these earlier laws into a unified statute (SB 768, Cunningham, 1949), which also gave JPAs the ability to incur debt and sell bonds to construct

public-use buildings, such as exhibition centers, sports coliseums, and associated parking facilities. In 2000, the Legislature formally named the law the Joint Exercise of Powers Act (SB 1350, Senate Local Government Committee, 2000).

After California’s voters passed Proposition 13 in 1978, local governments saw property tax revenues shrink at the same time their population growth boosted demands for facilities and services. Counties, cities, and special districts had trouble financing courtrooms, city halls, jails, and other public facilities. The Legislature responded by passing the Marks-Roos Local Bond Pooling Act (SB 17, Marks, 1985), which allowed local agencies to form JPAs that can sell one large bond and then loan the money to local agencies. This practice, known as bond pooling, saves money on interest rates and finance charges.

Statutory Authority of JPAs

Governments get their authority to work together from a state law called the Joint Exercise of Powers Act.¹ JPAs can exercise only those powers that are common to their member agencies. For example, three fire protection districts and an adjacent city can form a JPA to run a fire department because each member agency has the power to run a fire department. However, this same JPA can’t maintain the local parks because fire districts lack that statutory authority.

Joint powers agency’s meetings are open to the public and subject to the Ralph M. Brown Act. Further, JPAs must follow the Public Records Act, the Political Reform Act, and other public interest laws that ensure political transparency.

JPAs are different from other forms of government because they are the only type of government formed by mutual agreement. Unlike

¹ Government Code §6500, et seq. To see a copy of the Joint Exercise of Powers Act, visit a county law library or go to: www.leginfo.ca.gov.

other governments, JPAs are not formed by signatures on petitions, and they're not approved by a vote of the people. Public agencies create JPAs voluntarily.

The formation of a JPA begins when public officials negotiate a formal agreement that spells out the member agencies' intentions, the powers that they will share, and other mutually acceptable conditions that define the intergovernmental arrangement. Each member agency's governing body then approves the joint powers agreement.

For example, if the City of Davis and Yolo County wanted to run a combined library program, the Davis City Council and the Yolo County Board of Supervisors would approve the JPA. A joint powers agreement is, in effect, a mutually negotiated document that governs and guides the resulting arrangement. Each JPA is unique, reflecting a mutually acceptable agreement among public agencies that have joined together for a common purpose.

If a joint powers agreement creates a new joint powers agency, the JPA must file a Notice of a Joint Powers Agreement with the Secretary of State.² According to the Secretary of State's office, approximately 1,800 JPAs have formed a new agency or authority. State officials report receiving about 50 of these notices each year. Until public officials file those documents, a JPA cannot incur any debts, liabilities, or obligations, or exercise any of its powers.

An agreement that creates a new joint powers agency describes the size, structure, and membership of the JPA's governing board and documents the JPA's powers and functions. As a legally separate public agency, the JPA can sue or be sued, hire staff, obtain financing to build public facilities, and manage property. Joint powers agreements usually protect their member agencies from a JPA's debts or other liabilities.

² The public can review JPA documents at the Secretary of State's special filing unit in Sacramento.

As a separate agency, a JPA must appoint a treasurer and an auditor. The treasurer may be someone from a member agency, the county treasurer where the JPA operates, or a certified public accountant who performs the job. The JPA's auditor must arrange for an annual audit; many public agencies audit their own JPAs. The JPA must file the completed audit with the county auditor who makes copies available to the public.

JPAs differ from other local governments in another important way. Before counties, cities, and special districts can issue revenue bonds, they need majority-voter approval. If its voters approve, then the local government sells the revenue bonds to private investors and uses the resulting capital to build a public facility, like a parking garage. As the principal and interest on the bonds become due, local officials repay the private investors with the revenues that they collect from, for instance, the new parking garage. That's why this type of public debt is known as a revenue bond.

However, a JPA can issue revenue bonds without holding an election. State law allows a JPA to issue revenue bonds without voter approval, provided that each of the JPA's member agencies adopts a separate local ordinance. A city, for example, needs majority-voter approval to finance the expansion of its sewer plant with revenue bonds. But if the city and a sanitary district created a JPA, the JPA could issue the revenue bonds without voter approval if the city council and the district's board of directors adopted authorizing ordinances. While local voters can force referendum elections on these local ordinances, that rarely happens.

Special legislation allows some nongovernmental organizations to participate in joint powers agreements, even though they aren't public agencies. For instance, to help nonprofit hospitals keep pace with changes in the health care industry, the Legislature has allowed them to enter joint powers agreements to provide health care services in Contra Costa, Kings, San Diego, and Tulare counties. Another special bill allowed mutual water companies to

enter joint powers agreements with public water agencies. And specific tribal governments have special statutory authority to enter joint powers agreements.

Types of JPAs

JPAs perform many functions, although many (but not all) perform only one service.

JPAs offer:

- **Public services.**
- **Financial services.**
- **Insurance pooling and purchasing discounts.**
- **Planning services.**
- **Regulatory enforcement.**

There are no official categories for the types of JPAs, but their services fall into five broad groups: public services, financial services, insurance pooling and purchasing discounts, planning services, and regulatory enforcement.

▪ **General Services**

Agencies create JPAs to deliver more cost-effective services, eliminate duplicative efforts, and consolidate services into a single agency. Counties, cities, and special districts form JPAs to provide services such as fire and police protection and the removal of abandoned vehicles. Local agencies also use JPAs to fulfill mandates from the federal and state government, including solid waste management, special education, regional transportation planning, and hazardous waste monitoring. Other public services provided by JPAs vary from animal control and data storage to flood control and soil conservation.

The Stanislaus Drug Enforcement Agency is a JPA that handles drug trafficking by tapping into the expertise and resources of the

Ceres, Modesto, Newman, Patterson, Riverbank, Turlock, and Waterford police departments and the county sheriff. Before the formation of this JPA, Stanislaus County law enforcement agencies battled drug trafficking separately, resulting in disjointed solution to common problems. The drug dealing in Stanislaus County, especially the methamphetamine trade, continued to escalate. Consolidating the talent, resources, and equipment of each member agency allowed this JPA to tackle the region's drug problem more effectively. Furthermore, this JPA has been secured federal and state grants to aid its mission.

Humboldt and Del Norte counties and several cities within those counties formed the Hazardous Materials Response Authority to provide a hazardous materials team to oversee a large heavily forested region. Before creating this JPA, each county and city had struggled to operate its own hazardous materials program. The JPA allows local officials to deliver better services --- and to deliver them more efficiently.

- **Financial Services**

JPAs use the Revenue Bond Act of 1941 and the Marks-Roos Local Bond Pooling Act of 1985 to generate public capital. Public officials use JPAs to finance the construction of public works, including schools, city halls, bridges, and flood control projects. Some JPAs finance the purchase of special equipment, such as buses.

Financial JPAs with two member agencies, such as a city and its redevelopment agency, are often called public financing authorities (PFAs) or sometimes captive JPAs. These authorities sell Marks-Roos bonds to finance public improvements, like a new jail, local golf course, or parking lot. The California Debt and Investment Advisory Commission estimates that more than half of all JPAs formed since 1985 issue Marks-Roos Act bonds for public improvements.

The Association of Bay Area Governments is a 107-member JPA that offers its member agencies financing, such as bond-pooling programs that finance affordable housing, public works, and construction expenses. It is also one of the few JPAs with more than 100 member agencies.

Another large PFA is “CHF,” formerly known as the Rural Home Mortgage Financing Authority, a JPA consisting of most of California’s 58 counties. It consolidates federal, state, and local funding to provide grants and other financing needed by first-time home buyers.

- **Insurance Pooling and Purchasing Discounts**

JPAs offering insurance-pooling and reduced-price purchasing options usually involve agencies, such as school districts, that want to buy insurance or supplies and equipment for their member agencies. When private insurance companies raised their rates in the 1970s, many schools withdrew from the commercial insurance market and created joint powers agencies to obtain self-insurance by pooling their funds. These JPAs continue to offer school districts and other public agencies a cost-effective alternative to commercial insurance. In this arrangement, each member agency provides money to the JPA, which controls the funds in a collective account. The deposited funds earn interest, which finances the JPA’s operations and pays the member agencies’ claims. There are more than 50 self-insurance joint powers authorities.

School districts form JPAs to purchase lower-cost medical and dental benefits for teachers and district employees. The School Insurance Authority, a JPA formed in 1976, includes approximately 50 school districts, which together provide insurance coverage to schools throughout the state. Another example is the North Bay Schools Insurance Authority, which is comprised of 12 school districts in Napa, Solano, and Yolo counties and provides self-insurance coverage for property liability and workers’ compensation claims. At times, this Authority is even able to

return money to its member agencies because of “good-risk” performance.

The Schools Excess Liability Fund is a JPA made up of other JPAs and therefore can be called a super JPA. This super JPA allows insured school districts to pool the insurance assets of their JPAs to handle claims over \$1 million, a practice that provides additional insurance coverage above the usual self-insurance policy maximum. The California State Association of Counties operates the Excess Insurance Authority, which provides similar insurance coverage for counties.

Joint powers agencies that join other JPAs are called super JPAs.

These super JPAs often secure lower rates and better services because their large size allows for volume discounts and increased competition among vendors.

Some JPAs use their enhanced purchasing power to buy equipment and supplies from private vendors. In Mendocino County, for example, several school districts formed a JPA to buy portable classrooms.

▪ **Planning Services**

Counties and cities also form JPAs for planning purposes and to address topics of regional importance. JPAs created for planning reasons typically work on regional problems that go beyond county and city limits. The JPAs usually bring together experts from several agencies to develop regional or subregional strategies. These JPAs rely on funding from their member agencies and in return provide services to their members.

More commonly known as Councils of Government (COGs), these regional planning agencies jointly exercise the planning powers of counties and cities. COGs serve most metropolitan regions. The Southern California Association of Governments (SCAG) covers six counties, 187 cities, and more than 18 million people. The

Association of Bay Area Governments (ABAG) is the joint planning body for the nine-county San Francisco Bay region. Even rural governments form COGs. The Tri-County Area Planning Council works on planning issues for Colusa, Glenn, and Tehama counties. State law relies on COGs to prepare regional housing needs assessments that direct the housing strategies found in county and city general plans. Many COGs also serve as metropolitan planning organizations for federal transportation plans.

- **Regulatory Enforcement**

Regulatory joint powers agreements, the least common type, enforce regulations through an independent agency or as an arrangement with other enforcing agencies. These JPAs ensure that member agencies adhere to federal and state laws and procedures by conducting educational seminars, formulating enforcement procedures, and maintaining an oversight role. The State Parole Board, for example, entered into a JPA with Stanislaus County to assist county sheriffs in monitoring parolees and reporting and apprehending violators.

Regulatory JPAs also enforce air pollution regulations. The Yolo-Solano Air Quality Management District resulted from a 1971 joint powers agreement to serve as the air-quality regulator for these two counties. Its governing board consists of Solano and Yolo county supervisors and the mayors and city council members from the cities within the two counties. This JPA satisfies the legal requirement placed on all counties to have an air quality regulatory authority, and has the same powers to grant air quality variances, monitor air quality, and enforce standards and regulations as its state-sponsored equivalent, the Air Pollution Control District.

The Funding of JPAs

As with any government agency, a joint powers agency needs money to operate. Among JPAs there are two popular funding methods: (1) create a revenue stream, and (2) raise capital by issuing bonds. Although JPAs do not need voter approval before issuing bonds, each member agency must pass an ordinance. Those ordinances face a 30-day period in which voters can object by signing referendum petitions that trigger an election. If there is no referendum petition or if the petition fails to qualify, the JPA can sell the bonds and use the proceeds to build improvements or buy equipment.

The City of El Cajon and San Diego County formed a JPA in 1973 to build a new city hall, county services building, and performing arts center. Their El Cajon Civic Center Authority issued \$6.5 million in revenue bonds to finance the projects, which helped boost downtown economic development.

JPAs that provide financing and sell bonds for multiple agencies pay for their operations by collecting fees from their member agencies for the JPA's bond services. Bond transactions are complicated and require skilled financial professionals to ensure that the bond sales meet legal and market requirements. Large JPAs providing financial assistance hire financial experts and sell their services to local agencies that want to issue bonds.

According to the California Debt and Investment Advisory Commission, JPAs have issued 1,238 bonds for securing more than \$44.5 billion in debt since 1985.

JPAs also sell bonds to refinance their member agencies' debts. These JPAs will sell a bond and use the proceeds to pay off a member agency's high-interest debt so it can assume a lower-interest debt.

Marks-Roos Act bonds:

- **Do not require voter approval or a referendum before a JPA can issue the bonds.**
- **Can be issued at a public sale or privately, which provides more flexibility in finding a buyer who is best suited for the bond.**
- **Can be sold as one large bond with the proceeds loaned to its member agencies, which reduces extra loan fees and other charges.**

In the 1990s, legislators became worried when a few small cities used the Marks-Roos Act to issue bonds that exceeded their capital needs. As a result, the Legislature stopped the practice of allowing so-called “roving JPAs” to issue bonds to pay for developments outside their member agencies’ jurisdictions (SB 147, Kopp, 1998).

JPAs and Special Districts: What Are the Differences?

Although sometimes confused with each other, a JPA is not a special district, even though they may provide similar services. A special district is a separate local government with its own governing body that delivers public services to a particular area. Special districts rely on state laws for their legal authority and elected or appointed boards of directors for their governance. A comparison of JPAs and special districts appears on the next page.

Most special districts provide only a single service to a specifically defined area, unlike counties and cities that provide services throughout their boundaries. Cities and counties must provide a variety of services, many mandated by federal and state governments, whereas special districts deliver only the services the public wants and is willing to pay for. Fire protection districts,

cemetery districts, and mosquito abatement districts exist because taxpayers are willing to pay for these public services.³

As the following table shows, JPAs differ from special districts in four important ways. The **legal authority** for all JPAs comes from just one state law, the Joint Exercise of Powers Act. Each type of special district has its own principal act. Fire districts operate under the Fire Protection District Law, for example, while the cemetery districts rely on the Public Cemetery District Law. The **formation** of a JPA is relatively uncomplicated, requiring only the signing of a joint powers agreement by the member agencies. In contrast, there are complicated procedures to form a new special district, usually including the approval of the Local Agency Formation Commission (LAFCO) and voter approval.⁴ A JPA’s **governance** structure depends on what the member agencies agreed to, while state law spells out the election or appointment requirements to select special districts’ governing boards. JPAs provide only the **services** that are common to their member agencies, while special districts can deliver any of the services that state law permits.

Comparing Joint Powers Agencies and Special Districts		
	JPAs	Districts
Legal authority:	Joint Exercise of Powers Act	Separate principal acts
Formation:	Joint exercise of powers agreements	LAFCO and voter approval
Governance:	Determined by the JPA’s member agencies	Governing board (elected/appointed)
Services:	Any common powers	Only what state law allows

³ For more information on special districts, see *What’s So Special About Special Districts? A Citizen’s Guide to Special Districts in California*, available online at www.sen.ca.gov/locgov under “Publications.”

⁴ For more information on LAFCOs, see *It’s Time To Draw The Line: A Citizen’s Guide to LAFCOs*, available online at www.sen.ca.gov/locgov under “Publications.”

Advantages and Disadvantages of JPAs

JPAs have both advantages and disadvantages:

Advantages

- **JPAs are flexible and easy to form.** The Joint Exercise of Powers Act allows any government agency to participate in a JPA. The Act permits the member agencies to negotiate their levels of commitment and structure their own governing boards.
- **JPAs may be more efficient than separate governments.** JPAs allow local agencies to join forces and tackle issues together. The personnel, expertise, equipment, and property of each agency can be consolidated, promoting economy and efficiency.
- **JPAs finance public works.** JPAs can finance improvements such as parks, city halls, courthouses, and schools. JPAs can jointly purchase equipment, finance insurance pools, refinance member agencies' debts, and provide working capital by selling bonds.
- **JPAs cooperate on regional solutions.** JPAs serve as public forums for regional problems, providing residents with the opportunity to focus on regional issues. When the problems of affordable housing, transportation, energy, and drug trafficking cross local boundaries, JPAs can offer the wider view.
- **Joint powers help communities find grants.** Local agencies form JPAs to pursue grants to fund better services, start new programs, or purchase equipment. Participation in a JPA helps local authorities show the grant givers that they are willing to cooperate on regional problems --- as opposed to competing with each other for grant funds for separate projects.

Disadvantages

- **JPAs require mutual trust to form.** Getting separate public agencies to cooperate can be hard because each organization has its own powers, purposes, and politics. Sometimes it takes a long time to build the trust that's needed before public officials are ready to sign a joint powers agreement that puts the common good ahead of individual needs.
- **JPAs can be hard to keep together.** Because a joint powers agreement is merely a voluntary relationship among the member agencies, local problems may threaten to split up the JPA. Changes in local public support, new political leaders, or financial pressures may cause a member agency to reconsider participating in the JPA. If a member agency pulls out, the departure may harm the JPA's long-term bonds or purchasing programs.
- **JPAs can be hard to dissolve.** To avoid the financial problems that can result if member agencies pull out of JPAs, some joint powers agreements include specific protocols that make it difficult to dissolve the agreements. To keep petty problems from splintering a long-term JPA, a dissident government may have to give the other member agencies months or years of warning before dropping out.
- **JPAs can be hard to understand.** Some people see JPAs as an additional and unnecessary layer of government, even when that may not be the case. Local residents may ask why they must call the JPA instead of a local office for answers to their questions. When agencies combine forces or create a separate agency to provide a service, the visibility and accountability of the JPA may not be readily apparent.

Current and Emerging Trends

The popularity of JPAs will continue to increase, because JPAs are one of the successful ways to promote intergovernmental cooperation --- and cooperation among governments can save money for state and local agencies and their constituents. JPAs will continue to offer bond pooling services to their member agencies, promote joint purchasing and insurance programs, and serve as regional planning agencies in metropolitan areas. In rural areas, JPAs are likely to remain popular because these confederations don't require the member agencies to surrender their local identities. In addition, the successful use of JPAs to promote home ownership will remain attractive among rural counties.

The purposes for which governments form joint powers agreements also will continue to expand. Ever since it started with a single tuberculosis sanitarium 85 years ago, the joint powers movement has spread beyond public works projects to include public services and funding programs. Urban and suburban communities formed COGs in the 1960s to plan for transportation, housing, and open space throughout politically fragmented regions. Rural county officials adapted the joint powers concept to develop a JPA that finances first-time home purchases. More innovations likely will emerge as public officials think of new ways they can join forces to serve their constituents' needs.

Because they are politically attractive, JPAs will discover that nongovernmental entities want to join their efforts. Just as nonprofit hospitals and mutual water companies won legislative permission to join JPAs, other nongovernmental organizations may sponsor their own special bills. For example, California Indian tribal governments, especially those with gaming revenues, are increasingly interested in working with counties and cities on topics that cross their jurisdictional boundaries. Legislators may see more requests to allow tribal governments to join JPAs that operate as COGs.

And because they are easy to form, JPAs must protect their member agencies' fiscal integrity. The controversy surrounding how some JPAs used the Marks-Roos Act in the 1990s reminds public officials to guard against the potential misuse of the Joint Exercise of Powers Act. Bond pooling is a cost-effective way to generate public capital, but JPAs should not abuse the public trust.

Frequently Asked Questions

1. **Can any government agency join a JPA?** Yes. Federal and state agencies, counties, cities, special districts, school districts, redevelopment agencies, and even other JPAs can be members of one --- or several --- JPAs. California Indian tribal governments can join JPAs if they get legislative permission.
2. **Who runs a JPA?** Most JPAs' governing boards have five or seven members, but state law does not require a specific number. Each joint powers agreement outlines its own rules about how its board will be set up, keeping in mind that each member agency will want to be sure that its interests are represented.
3. **How can I find out who runs a JPA?** State law requires every public agency --- including a joint powers agency --- to file basic information with the Secretary of State and the county clerk of the counties where it keeps offices. The Secretary of State and the county clerks keep official rosters of public agencies. Because they are separate government agencies, joint powers agencies may be listed in local telephone directories or online.
4. **Who pays for JPAs?** The member agencies that created the joint powers agency or authority pay for the organization's operation. Their joint powers agreement usually spells out how much each member agency contributes, based on such factors as its projected use of services.
5. **What is a JPA's lifespan?** There is no fixed timeframe. Member agencies can dissolve a JPA when it no longer serves their interests or a predetermined termination date may be part of the joint powers agreement.

6. **How many JPAs are there?** That's actually a tough question to answer. The Secretary of State keeps data on joint powers agencies that are separate organizations. Approximately 1,800 JPA notices are on file with the Secretary of State. The State Controller, however, received annual financial reports from 718 JPAs in 2004-05. The big gap between these numbers remains puzzling.
7. **What happens when a JPA dissolves?** A joint powers agreement outlines the terms for ending the agreement. For JPAs that issue bonds, there would be provisions on how bonds would be repaid, regardless of whether the JPA is still operating. The assets that a JPA acquires during its operation would be divided among the member agencies, following the agreement's terms.
8. **Are JPA meetings open to the public?** Yes, of course. Like other local agencies, JPAs must follow the Ralph M. Brown Act, the California Public Records Act, the Political Reform Act, and other public interest laws. They must print agendas and permit the public to participate in their meetings.
9. **Can JPAs levy additional taxes or assessments?** The Joint Exercise of Powers Act does not allow a JPA to levy new taxes or assessments. However, a JPA's member agencies could levy their own taxes or benefit assessments and contribute the revenues to the JPA's operation. But the member agencies must still comply with the California Constitution and state law when levying taxes or assessments.
10. **Where can I find more information about JPAs?** Start by contacting the JPA directly. Also, you can contact your own county supervisor or city councilmember and ask about the joint powers agreements in your community. For financial information on a JPA, refer to the State Controller's annual publication, *Special Districts Annual Report*, which is available online at www.sco.ca.gov, or call your county's auditor-

controller. The California Debt and Investment Advisory Commission has information about JPAs' bond issues. Details about JPAs that offer insurance-pooling services are available from the California Association of Joint Powers Authorities.

11. **Who oversees JPAs?** The public agencies that set up JPAs have a continuing responsibility to monitor their creations. Although no state agency directly controls JPAs, several collect reports and data on JPAs, including the Secretary of State's office, the State Controller's office, and the California Debt and Investment Commission. County civil grand juries function as civil watchdogs and may examine the records of JPAs operating in the county, while county auditors keep tabs on the financial reports of JPAs.

Resources and Web Sites Related to JPAs

- California Association of Joint Powers Authorities (CAJPA)
530 Bercut Drive, Suite G
Sacramento, CA 95814
(916) 369-6142
www.cajpa.org

- California Debt & Investment Advisory Commission (CDIAC)
State Treasurer's Office
915 Capitol Mall, Room 400
Sacramento, CA 95814
(916) 653-3269
www.treasurer.ca.gov/cdiac

- The California Grand Jurors' Association (CGJA)
www.cgja.org

- California Special Districts Association (CSDA)
1112 I Street, Suite 200
Sacramento, CA 95814
(916) 441-7887
www.csda.net

- California State Association of Counties (CSAC)
1100 K Street, Suite 101
Sacramento, CA 95814
(916) 327-7500
www.csac.counties.org

- League of California Cities
1400 K Street
Sacramento, CA 95814
(916) 658-8200
www.cacities.org

- State Controller's Office
Division of Accounting & Reporting
Local Government Reporting Section
3301 C Street, Suite 500
Sacramento, CA 95816
(916) 445-5153
www.sco.ca.gov

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