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Bell and Sacramento

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By Joe Mathews

You can say a lot of things about the city of Bell officials caught in the 2010 corruption scandal.

You can say the Bell officials enriched themselves with public do. You can say they paid themselves at some of the highest levels of any municipal officials in America. You can say they broke the law. You can say they lied and cheated and stole. You can say they violated the public trust.

But there is one important thing that you can't say about them. You can't say they did anything truly new.

Heck, you can't even say that they weren't doing what they were supposed to do.

Because the officials in Bell did what any California city is supposed to do under the state's governance system:

Spend as much as you can get away with spending.

BREAK

This is just one paradox of Bell. To understand how the scandal in this southeast L.A. County city fits with the story of California and its state government, you must reckon with this and two other paradoxes.

One is that the Bell officials had the power to get into so much trouble in no small part because their power was so limited. Another paradox is that Bell was at once both a white-hot national scandal, singular in the attention it drew, and also just another small chapter in a long-running California scandal. That scandal is a half-century old and it still hasn't been resolved – because the state's leaders keep responding with the same ineffective strategy.

If Californians understood these paradoxes, which they don't, Bell might not have seemed like such big news. Bell's corrupt leaders lived and worked -- and exploited – the same dark corners of municipal finance in which every California city must operate. California cities operate in the dark because that's what the state and the voters require.

It's a safe bet that this may be the first time you've heard the above arguments. And that you may be a little shocked. Such a reaction is understandable, because the paradoxes of Bell run counter to just about everything people have been told about the scandal and about today's California. The dominant narrative of media and politicians is that the people in Bell had too much power without enough limits. And that they took liberties that never had been taken before. So the answer to this scandal must be what it always is after scandals: let Sacramento adopt smarter new limits on the power of Bell's future leaders and their counterparts all across California. Hold those local bastards accountable.

Such conclusions sound like common sense, because they are common sense. But applying common sense to questions of California local government is a fundamental – and dangerous -- mistake. California's history in governance, particularly local governance, is so uncommon that you must check your common's sense at the door before you can enter and understand.

BREAK

If you want to understand the Bell scandal, you can't start with Robert Rizzo. Before there was Rizzo, there was Russell Wolden Jr.

Wolden was the tax assessor of San Francisco for nearly three decades, from 1940 to 1967, an era when county tax assessors like him mattered. Wolden -- like his father Russell Wolden Sr., who had been assessor from 1916 to 1939, and the state's other county tax assessors – had immense power because they had real discretion. At that time, amount that a property owned paid in taxes turned on two things. First were the tax rates set by your city, county and school district. The second thing was Wolden's business: the value the assessor put on property. Even if tax rates went down, your tax bill could still go up if the assessor, at his discretion, said your house or factory had increased in value.

In 1965, a whistleblower revealed to the San Francisco Chronicle that Assessor Wolden was corrupt: he had sold his judgment and discretion. Documents delivered to the newspapers included cancelled checks and bribery fee schedules. Businesses that paid Wolden got their assessment lowered.

It turned out that Wolden wasn't the only assessor who worked this way. Jurisdictions around California investigated and found many more cases of assessors handing out low-ball assessments to businesses that had contributed to their campaigns or stuffed dollars into their pockets. Wolden, who would forever be known as the Crooked Assessor, and several other assessors went to jail. The San Diego assessor committed suicide. The Los Angeles County assessor was indicted but found not guilty at trial.

Scandal was not new to California. Corruption and abuse of discretion by public officials is a story as old as democracy. But the response to this scandal would be different -- and put California on a course that would lead directly to Bell.

BREAK

Even before news of the crooked assessor broke, the Assembly's tax committee knew about assessors' malpractices and put together a plan to reduce the state's reliance on the property tax. But there was pushback. Counties and their assessors wanted to keep this power. And Gov. Brown – Jerry's father, Pat – didn't want to take the political hit of raising other taxes to make up for reductions and reform in the property tax. Instead, in 1966, the legislature enacted, and Brown signed into law, a bill, AB 80.

That legislation was the original sin, with unintended consequences still being felt in southeast Los Angeles County and across the state today.

The bill replaced the discretion of humans – the assessors – with a formula. All property was to be assessed at a rate of 25 percent of market value. It was a clean, fixed rule, a new limit of the kind that is sometimes proposed after financial scandals. Fifty years later in Sacramento, legislators and others officials, examining the scandal in Bell, would respond with a host of new limits, thus honoring this tradition.

But limits always produce new incentives -- and outcomes that are unexpected and unintended. AB 80 had a huge unintended consequence—the 25 percent rule sent property taxes soaring. It wasn't long before, in San Francisco, cars started carrying bumper stickers pleading "Bring Back the Crooked Assessor."

Why? Because it turned out that California's crooked assessors had used their discretion not only selfishly and narrowly -- to pay off their business backers and campaign contributors -- but also broadly and politically -- to protect homeowners from big spikes in property taxes. Assessments had been held artificially low for homeowners. Assessors had to win elections, and homeowners voted. With a clear 25 percent increase, there was no longer room for discretion that protected homeowners. So property taxes went up.

And so the 25 percent rule, like so many limits, created new pressure for new limits on property taxes. It also, unintentionally, created dark corners for governments; local officials who wanted to help homeowners or local businesses with higher property taxes no longer had the power to do so, at least legally. So their choices became: cheat, or turn to the state level. So the big question in Sacramento became: Couldn't something be done to keep property taxes down?

Through the 1970s, the state debated limitations on property taxes. But legislation stalled in the state legislature; the new governor, another Brown (Jerry), wanted to build up a surplus to demonstrate his fiscal responsibility as he sought the presidency, and he was reluctant to offer significant property tax relief. On the initiative side, there were multiple attempts to put property tax reductions on the ballot, but they failed.

That changed in 1978, with the successful campaign of Paul Gann and Howard Jarvis for Prop 13. Prop 13 may have felt like a revolution, but it wasn't a new idea. Prop 13 was another limit -- and a response to the earlier limit AB 80 limit. And its backers made the same case for it that the backers of limits usually make – that it would protect the people, from corruption, from surprises, from bigger bills.

This was a complicated new limit, because the formula of Prop 13 had multiple parts. Property taxes couldn't exceed 1 percent of a property's assessed value. Those taxes couldn't increase by more than 2 percent a year. Even more important, Prop 13 brought two new supermajority formulas that would limit the power of local governments in California. Local officials could no longer raise property taxes by themselves; they would have to ask local voters to do it, and secure a 2/3 vote. And appealing to Sacramento for taxation would be harder, since Prop 13 established a 2/3-vote requirement for raising taxes in the state legislature.

The campaign drew big attention, but the public debate mostly missed the

most important point. Prop 13 was sold as imposing new limits on politicians, thus putting them in their place. In fact, all the limits empowered Sacramento and its state politicians, centralizing control there and posing new obstacles to local governance. "What would happen to local control of local government under Proposition 13?" the California Taxpayers' Association asked during the campaign, in one plea that was ignored. "Is there any way to prevent greater state control?"

Prop 13 passed overwhelmingly. And, overnight, the fiscal picture for local governments turned upside down. With a single vote, the locals lost revenue amount to 22 percent of their budgeted expenditures. And Prop 13 was just the beginning. It served as a base of a new operating system of California government, spawning new limits and formulas on taxes and spending. The first principle of this new operating system was that the discretion of local officials should be limited, particularly when it came to raising revenues.

This new era of limits – an era we're still living in today -- left local officials with fewer options. They could do two things: they could go to Sacramento to demand funds from state government. Or they could try to find ways around the limits by themselves. They could work in dark corners, where the limits didn't reach, where they might raise revenues and try to remain, at least in part, the authors of their communities' own futures.

In time, every city in California would look for money in both places – Sacramento and in dark corners – but Sacramento came first.

Sacramento's post-Prop 13 bailout of local governments was probably inevitable. The threat of pain to cities and school districts was just too powerful. Too many interest groups were demanding a bailout. And Gov. Brown's obscenely large surplus was too tempting a source of funds in such times.

And so the bailout began. First came a temporary bill, which included not just money but more limits on local government. Cities and counties couldn't fire police or fire personnel, the legislation said, and the locals were instructed to use their reserves in ways that softened program cuts. A year after Prop 13's passage, a bigger, permanent bailout bill gave the state even more power over locals. "I don't think local government has ever been restored to independence," the State Senator Peter Behr would later recall.

Prop 13 and the post-Prop 13 bailout marked the beginning of a great centralization of power in California. Sacramento took charge of funding schools and various local programs. The state budget grew in size and importance, as local functions became state ones. Today, nearly three-quarters of the state budget would consist of local aid. The locals would spend the money; Sacramento would raise it and distribute it.

As the state became the provider of revenues, the essence of city governance changed. According to hoary American proverb, all politics is local. That's because, in most of America, local governments set tax rates to raise revenue for the programs they fund. And when a government raises revenues, it creates politics, as people fight about where those revenues will come from.

California went in a decidedly different direction. After Prop 13, all politics was no longer local; politics was slowly transferred to Sacramento, since that's

where the revenue was raised. California city officials were no longer supposed to be revenue raisers. And so their incentives changed. Instead of balancing the needs for spending against the pain of raising revenues, they no longer had to consider revenues. Their job was to spend. And spend. And spend some more.

And since revenues came from Sacramento, it didn't make much sense to spend less, even when revenues were less. It was better to spend more – and lobby and blame Sacramento when its funds were insufficient.

The gambit worked – in part because Prop 13 had forced high-profile cuts to so many local services. Things that Californians born after 1970 now simply take for granted––that you have to pay to get a police report or a permit to carry a weapon; pay when the paramedics whisk you to the hospital after you fall off your motorcycle and break your leg; pay to swim at the public pool; hold a meeting at a community center; play on the softball diamond, or take an exercise class; pay at school for a field trip—all started with Prop 13. This loss of public goods mattered less to the rich, who could raise private money to preserve the services they most valued. These cuts mattered much more to people with lower incomes, most of whom got no tax cut. Their California communities -- cities like Bell -- became shabbier places, where people could rely less on their government. And so people were less connected to local government.

This bitter reality fed on itself. Californians came to believe the narrative that cities are constantly being shortchanged by Sacramento, which was spending all the money on itself. Virtually every campaign season saw both parties run against Sacramento, which had all this new power. Anti-Sacramento rhetoric became a staple of civic life, and an assumption among media.

Few noticed that the opposite was true. That local governments were spending more and more on themselves, and that they were doing so in ways that were hidden and dark. They did more and more borrowing, pushing today's costs off into the future. They hid huge pay boosts to local police and fire and officials in pension and health benefits that weren't properly accounted for and wouldn't have to be paid for until far off in the future. Confusion about this fact – that the locals were the big, irresponsible spenders -- ran across the political spectrum, from the most cynical fixers to the most idealistic reformers. Those who denounced the rapid growth of lobbying Sacramento in the '80s and '90s railed against corporate and union lobbies, while mostly ignoring the fact that the biggest groups lobbying in Sacramento were local governments, hiring influencers to get more money. And Californians to this day have never understood the fact that, as the locals gobbled up money, the state government's spending on itself was lean and getting leaner.

In this new post Prop 13 operation system, the state money was always insufficient as locals spent more. And so, while they would never stop whining about Sacramento, local governments also looked for ways to raise money. And that drove them into dark corners for more revenues. It wasn't just the borrowing, often exotic and risky, to pay for spending. There were all kinds of new fees, not covered by the tax limits. Cities also set up new special funds and accounts that weren't governed by state limits. Cities approved rampant retail development as a way of gaming the sales tax to produce more local revenue.

A favorite tactic of local governments, including the one in Bell, involved redevelopment agencies. By declaring part or all of their cities to be blighted, they could establish redevelopment agencies that gobbled up increases in property taxes, holding onto money that would have gone to the state, and to schools. The money only rarely went to anything that could be called redevelopment. It funded other operations, even salaries. After Jerry Brown went back into politics as mayor of Oakland in the late 1990s, some of his salary was covered by redevelopment. This use of dark corners to find money, to spend, and to govern became more and more common. Dark corners were where municipal business got done.

The opacity and complexity of California municipal finance had many negative consequences. It required cities to pay more to find people who could manage these increasingly complicated finances – and it required more of these employees. Expensive lawyers and consultants became necessary to navigate through all the darkness.

But the worst thing was how this new status quo disempowered citizens, and thus eliminated the most basic check on local governments (or anyone): the eyes and ears of neighbors.

It was not merely that local governance became too complex for citizens to understand. And it wasn't just that too much business was done outside the council, in extra committees and in those dark corners. It was that, by making it harder for local communities to raise taxes, the new California system limited the incentive for the public to participate.

Before Prop 13, local agencies and their boards had dual duties. They decided how much to spend on public services, and they set the property tax rate needed to supply that money. And because they had the power to tax, they attracted a lot of attention, not just from people interested in the quality of the services, but also from property owners, both business and homeowners, who paid the taxes to support those services. In the two decades before Prop 13, tens of thousands of them showed up at public meetings to protest their tax bills.

But Prop 13 and successor measures (Proposition 62 in 1986 and Proposition 218 in 1996) took away taxing authority from local elected officials. (School boards had begun to lose their taxing authority with the *Serrano* equalization decision in 1971.) Without the power to tax, local governments were less of an immediate threat to local pocketbooks. It was no longer necessary for business and taxpayer groups to watch them so carefully.

And so leaders of business groups began a retreat from local public service. "Beginning in the early to mid-seventies and culminating with Proposition 13," recalled Gary Hart, who served in both the Assembly and State Senate, "leaders in the community, people in the Rotary [clubs], said, 'This is not a good use of my time, this is no fun. All we're doing is cutting.' Who needs that?"

Business leaders accommodated themselves to this state of affairs, which had its advantages: they no long had to worry so much about what local leaders might be up to. They could go to Sacramento, with all that centralized power, and block

unfriendly local actions with one law at the state level. This played out most clearly in the case of infrastructure. After Prop 13, local governments could no longer sell general obligation bonds, repaid through the property tax, to build roads and firehouses and other infrastructure. So they turned to devices like impact fees on developers to pay for those things. That brought the developers and builders to Sacramento with demands for infrastructure solutions that didn't cost them anything. And they successfully limited many of these fees. In effect, the battle over local issues – development and roads and schools – shifted to Sacramento – in 1978. It has remained there since.

The retreat of what might be called the "taxpayer interest" left the field in local politics to those whose primary interest in local government is as a source of income or subsidy—developers, government contractors and, most especially, public employees. They provided the biggest contributions to local candidates and delivered the most bodies to staff phone banks and walk precincts. Often the candidates and elected officials were public employees who lived in the city but worked in other jurisdictions.

Operating with little scrutiny from their own residents or from the shrinking mainstream news media, local governments dominated by their employees made pay and pension commitments that they could not keep. In California, the salary and pension boosts that made Bell infamous would stand out in degree – but not by their existence. The central irony of the Prop 13 system was how this measure, which holds a holy place in the conservative pantheon, made it easier government employees to grab as much influence and money as they could.

And grab they did. Although they had been among Prop 13's fiercest opponents, public employee unions found the centralization a convenient way to win at the capitol what was formerly hard to win at the bargaining table, local employer by local employer, negotiation by negotiation. For example, in 1982 California became the first state to enact a law requiring local governments to treat any cancer in firefighters as a disability caused by their jobs. Since then, unions have succeeded in extending presumptive disability to other public safety workers and other diseases. (Bell's police chief during the 2010 scandal would try to use these laws to his personal advantage.)

Together, all these trends defined the California disease. Even as government budgets for broad public programs came up short, even as everyone from poor single mothers to college students got less and paid more, public employees continue to snatch scarce tax dollars for their own benefits. In city after city, salaries and benefits, especially for law enforcement, gobble up most of the money, hurting the ability to deliver services to local residents.

Sometimes a bankruptcy or a newspaper would expose one or another particularly awful abuse of this local power – pension spiking, personal use of public funds, runaway salaries. But California simply had too many governments for the public to pay attention to more than a few at a time. This was a state of 58 counties, nearly 500 cities, more than 1,000 school districts and more than 4,500 special districts. With so many offices to fill and too many politicians to keep track of, voters

couldn't use the ballot to impose accountability. "I currently have twenty-two people I elect to represent me at all levels of government, and I can't name them––and I'm president of the California Voter Foundation," Kim Alexander, the leader of the civic education group said in 2009.

BREAK

This broken structure required top to bottom reform. But these harsh realities never produced change because they were so profoundly misunderstood. Media, civic leaders and politicians themselves have consistently defined California's problems as the failure of leaders -- not of a broken governance structure that pits the locals and Sacramento against each other. So, instead of a new constitution, the solution to each new problem, to each new scandal in each new place, became standard: impose new limits to restrain wayward locals.

And when those limits proved ineffective, as they always did, there would be another round of limits.

The necessary changes were considered unrealistic – even though they were clearer, and less complicated, than the status quo. Fixing California local and state government would require a return to fundamentals. Each major program should be assigned to the proper level of that government. A local program should be paid for with money revenue that was raised at the local level. There should be fiscal rewards for success in running a program, and penalties for failure.

California's local government system also required consolidation. With too many governments to monitor, cities and counties and special districts should be forced to combine. Many governments should be eliminated, in the name of good governance and accountability. One of the best recommendations of the last Constitution Revision Commission, in 1996, was to give citizens in California's different regions both the permission and the tools to remake their local agencies and take more control over their destiny. Under the commission's proposal, counties and groups would be empowered to set up citizen commissions to rethink their local governments––shuffle and combine their missions, merge or eliminate them, redraw their boundaries. Out of these deliberations would come a new charter for voter approval.

The recommendation, like so many good ideas in Sacramento, was ignored, and forgotten. The new system of limits prevailed, and grew.

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So instead of a charter process that might have combined the small city of Bell with some of its neighbors among Los Angeles County's 88 cities in the name of efficiency and better service, Bell's leaders proposed a new charter in the year 2005. The city charger prevailed in an election in which less than 400 people voted. This drew little notice at the time. Wasn't this how California, with its centralized power in Sacramento and its weak local governments worked?

The new charter set the stage for the scandal. The charter gave new power to local officials, yes. But the charter, and much of what would happen in Bell, was really about lack of power. The core of the new charter was rules that allowed the city to get around the state's many limits. The new charter pointedly exempted the city from state contracting procedures and a state law limiting council members' salaries.

In seeking ways around the ubiquitous limits imposed form Sacramento, Bell was different than other California cities only in degree. To run a municipality in this state required operating in dark corners, and trying to find money anywhere. Why should Bell be any different?

As one reads today through the reports and indictments and court transcripts of how Bell officials operated, it's striking how their actions, while extreme, touched on all the possible dark corners.

Bell officials boosted salaries, and the pensions and benefits of top officials as well as police and fire. They did an off-the-books property purchase from a former mayor. They hired contractors and consultants in questionable ways. The city's employees advanced personal loans to themselves. And they squirreled away millions in illegal retirement accounts.

They raided different accounts within the city, from gas taxes to housing funds. They pushed through fees on businesses and sanitation and sewage system. One of their most serious departures from the law was how they imposed new taxes and fees without the voter approval for new taxes and fees. They managed to get away with this in part because they couldn't legally do it – so taxpayers weren't watching in Bell, just like they weren't watching in other cities. Among their illegal (and ironic) maneuvers was a violation of Prop 13 itself – an illegal boost in the property taxes above the initiative's limits in order to fund retirement; the overcharge ran to $3 million.

Bell officials, like their counterparts around the state, used the city's redevelopment agency like a piggybank. They grabbed state funds from places that weren't good at watching their money, like the state parks department. And like so many cities, they borrowed. One of the great ironies of today's California is how Sacramento's attempts to limit debt on the state level – most recently via the passage of the debt reduction formula Prop 2 on the November 2014 ballot – have incentivized cities to borrow even more themselves. Bell did this irresponsibly, issuing $50 million in general obligation bonds without any plan or time frame to utilize the proceeds. But this was hardly an innovation. A California city takes money where it can get it.

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In Sacramento, the reaction to the Bell scandal, exposed by the LA Times in the summer of 2010, showed that no one had learned much of anything from the past 50 years of municipal scandals in California. Russell Wolden's name had been forgotten. Sacramento's leaders did not propose or discuss systemic change in municipal governance and finance. Instead, various parts of the state government touted investigations – the controller, the attorney general, the legislature – of what

had happened in Bell, and tried to outdo themselves in expressions of outrage. “These outrageous salaries in Bell are shocking and beyond belief," said then-Attorney General Jerry Brown, who was a few months from being returned to the governor’s office. "With record deficits and painful budget cuts facing California cities, astronomical local government salaries raise serious questions and demand a thorough investigation.”

The Bell salaries were outrageous, but were they really surprising? Bell officials had done what cities always do – only more brazenly and greedily.

BREAK

The second phase of Sacramento’s reaction was a repeat of the response to earlier scandals, going back to the Crooked Assessor: the proposal of new restrictions on Bell and other cities. But the bills came down so quick and numerous as the Bell news that the legislature failed to pass most of them. Lawmakers said there was simply too little time to vet them and refine them before the end of the summer, when the legislature went home to spend the fall campaigning.

In 2011, the bills came more quickly. But they showed little imagination. Most fell into one of two categories: increasing penalties for doing what people in Bell had did, or making it clear that things the Bell people had done were illegal. So one bill proposed to take pension benefits from city manager convicted of misusing taxpayer funds. Another sought to prevent city council members from being paid for serving on multiple city commissions. There were new training mandates and ethics mandates and salary disclosure mandates and pension disclosure mandates and car allowance disclosure mandates and bonus disclosure mandates. Several measures sought to stop pension spiking. A couple of measures targeted the Bell police chief and his pension benefits from cities where he had previously served. Another imposed new requirements for publicity when city officials hold simultaneous or back-to-back meetings.

John Chiang, the state controller, did the best in this campaign by Sacramento politicians to show toughness on Bell. He not only demanded more disclosure from cities. He got salary and benefit data from local governments around the state and put it online, where it remains, searchable, today.

But what was more interesting is what didn’t happen. There was very little assessment of the finances of California cities. For all the focus on official salaries, and the sneaky ways officials had found revenue, there was precious little scrutiny of how California cities managed and spent their money. And no one asked the most basic questions about municipal finance in the state: Does the state’s system of encouraging local officials to spend, but limiting their power over revenues, encourage irresponsible, even criminal behavior, by pushing cities to do their business in the dark?

There was another basic failure. For all the gnashing of teeth in Sacramento about Bell's failures and all the proposals for new limits, no one in the state capital managed to get Bell what it needed in 2010: emergency, effective administration to get its finances in order. Yes, the legislature did intervene to make it possible to swear in a new city council (after the removal of previous council members meant there was no one who could handle the duty). But beyond that, Sacramento was unable to put in place leadership that could dig Bell out. And so Bell remained a managerial mess for nearly two years after the scandal broke. There were four different city management teams, all interims during those two years. And the city faced so many overlapping investigations from different levels of government, plus the news media, that progress in addressing the city's problems was nearly impossible. Everyone piled on.

It wasn't until late in the spring of 2012 that a new permanent city manager could be found. The city remains focused on digging out of the hole; the work required to prevent a recurrence is ongoing. In 2013, the state controller's office noted that of its 34 recommendations for how Bell should put itself back together and right the wrongs of its previous leaders, only one had been fully implemented.

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There is one final paradox of Bell. Fixing local government in California – and preventing local officials from behaving like those in Bell – would require giving more discretion and freedom to local officials.

That seems to violate common sense – which is a good sign that the logic is California-solid. Instead of using limits and restrictions to force city officials into dark corners, limits should be lifted and officials given more power and discretion, so they can operate more easily in the daylight.

The best, most direct reform would be to give California's local governments more power to raise taxes and other revenues themselves. When cities can tax, the citizens and business people who might see their taxes raised have a strong incentive to watch what's happening in City Hall. And when taxpayers are watching, it's much more difficult to give your city manager an $800,000 salary.

This is not a new idea. The state's legislative analyst office, in a 1993 report on California's convoluted local governance structure that is still quoted today, wrote that "The ability of local agencies to determine the appropriate mix and level of expenditures to reflect their community's preferences is dependent upon the community's ability to raise—or lower—the level of local taxes they pay." The LAO suggested letting local voters, by majority vote, change the Prop 13-mandated 1 percent property tax rate. In 1996, that same constitutional revision commission also called for letting voters in their new charter governments raise taxes, other than property taxes, by majority vote.

In the name of accountability, it would be even better to let local officials set the tax rates for the programs they must fund, to put taxing and spending in the same hands. That is the shortest path to accountability. But this is California, where the usual response to such proposals is to yell, "Protect Prop 13!" The point of yelling "Protect Prop 13" is not to inform people, but to end any conversation. This conversation has been ended successfully for more than 35 years.

If local control means anything, it means letting local elected leaders and voters make their own––and probably very different––choices about how much revenue to raise to meet their local needs. But Sacramento doesn't want to do that. For 50 years, Sacramento has been responding to local scandals by tightening the reins. After Bell, those reins are being tightened again.

This will only push more municipalities into darker corners, into workarounds around the new limits. The response to Bell makes this the safest bet in California: there will be more Bells.

Joe Mathews is California and Innovation Editor at Zocalo Public Square, for which he writes the syndicated Connecting California column. He also is author of *The People's Machine: Arnold Schwarzenegger and the Rise of Blockbuster Democracy* and co-author, with Mark Paul, of *California Crackup: How California Broke the Golden State and How We Can Fix It*.