

Tax Mavens

The Contemporary Tax Journal's Interview of Fred Silva

By: Sandra Peters, MST Student

Anyone involved in California's state political scene knows Fred Silva. He has been involved in California state and local government for over 40 years. His opinions are highly valued and sought by political and industry leaders. He is currently the senior policy analyst at California Forward.

California Forward (<http://www.cafwd.org>) is a nonpartisan, nonprofit organization working for fiscal, structural and democratic reform in California by restructuring the relationship between state and local government interaction. They advocate empowering local communities to resolve issues and create a responsive democracy with the people of California involved in reform discussions.

Prior to California Forward, Mr. Silva was a policy advisor for New California Network. His contributions also include

nine years at the Public Policy Institute of California developing proposals. He was the bridge between the policy researchers and the Capitol. Many of the state's leaders and politicians rely on his opinion when evaluating proposals and current policy.

I was eager to interview Mr. Silva after hearing him speak at a tax policy conference in Santa Clara. He is very engaging and it is evident he is respected for his insights of California politics and his ability to lead relevant discussion on reform. He clearly understands the nature of our economy and how policy has led us to where we are today. He maintains an outstanding arsenal of facts and statistics in the historical progression of how we got where we are and where we need to go in fixing many of California's political and fiscal issues. He is keenly informed and has written numerous reports on California's fiscal issues. He maintains enthusiasm and an optimistic attitude that reform can be achieved.

I had the pleasure of hearing him again at the American Leadership forum in San Jose. Again, he inspired optimism. After hearing him speak, one is ready to "sign up" to be involved at a local level knowing that a voice can be heard and can make a difference. I was proud to know that Mr. Silva is a San José State University graduate.

The following interview took place before the American Leadership forum in May 2012:

SJSU CTJ: How did you become involved in the field of state finances?

Silva:

Our family was always involved in the local government. I can "get my arms around it". It seemed manageable as I could see the relationships between policy and local issues.

He gestures his arms around a large object and seemed quite comfortable and confident that the scale of state finances was no problem.

SJSU CTJ: What words of advice do you have for a tax practitioner or student who would like to understand California finances so they can explain where the money comes from and where it goes at the state and local levels?

Silva:

First, understand the underlying economy and how it works, the dynamic nature of it. Secondly, apply tax policy whether on income, wealth, or transactions. Look at preference items of policy and how they work.

He went on to explain how these three types of tax have evolved over time and how each one contributes to the budget and varies based on the economic environment of the times. He explained these taxes in a 40 year window and easily recited many statistics. Mr. Silva showed an evident passion for making 40 years of economic history compelling grounds for change.

SJSU CTJ: What do you think are the three most important reforms for California?

Silva:

1. Governance agenda, continuing on governance reform both local and state,

[particularly], Proposition 28; 2. Results-based state and local government. 3. How to finance local and regional services;

Proposition 28 was on the June ballot and was approved, calling for changes in term limits in the California legislature. I must have looked puzzled when he mentioned "results-based" government since he eagerly elaborated. He explained that governments should be held accountable based on results of their performances. If a program doesn't produce desired results, then it does not receive funding. It is government accountability to the public through a framework of measuring results including effectiveness and efficiency. He cites Ventura, Sunnyvale and Washington and Oregon State as adopting effective examples.

SJSU CTJ: How would you advise a tax practitioner or student to begin involvement in tax policy reform at a state and local level?

Silva:

For a student, [it is important to] understand the system. Gain a foundational understanding of why it is volatile. Spend time at local agencies. Get involved in your local finance and budgeting discussions.

As a student he worked at the City of Milpitas and Morgan Hill, absorbing all he could about the local finance systems.

SJSU CTJ: Have you seen progress or changes in reform initiatives over the years?

Silva:

We've seen different forums over the years and we have made progress.

His voice is optimistic.

SJSU CTJ: You have had a successful career and continue to be very involved. Since the work will continue to evolve and never be completed, how do you avoid discouragement or burn out?

First, he looks at me quizzically as if discouragement never occurred to him. After pausing, he simply answered:

Silva:

My debate coach in high school [used to say] "Keep up the debate, it's a path."

Certainly, discussion on reform has kept him on "the path".

SJSU CTJ: If you could have dinner with anyone, who would it be?

Silva: My grandfather. He was an architect and urban planner in Los Angeles in the 60s. He knew a lot about the L.A. transportation system from the 20s, 30s and 40s. I would love to know about the inner workings of that.

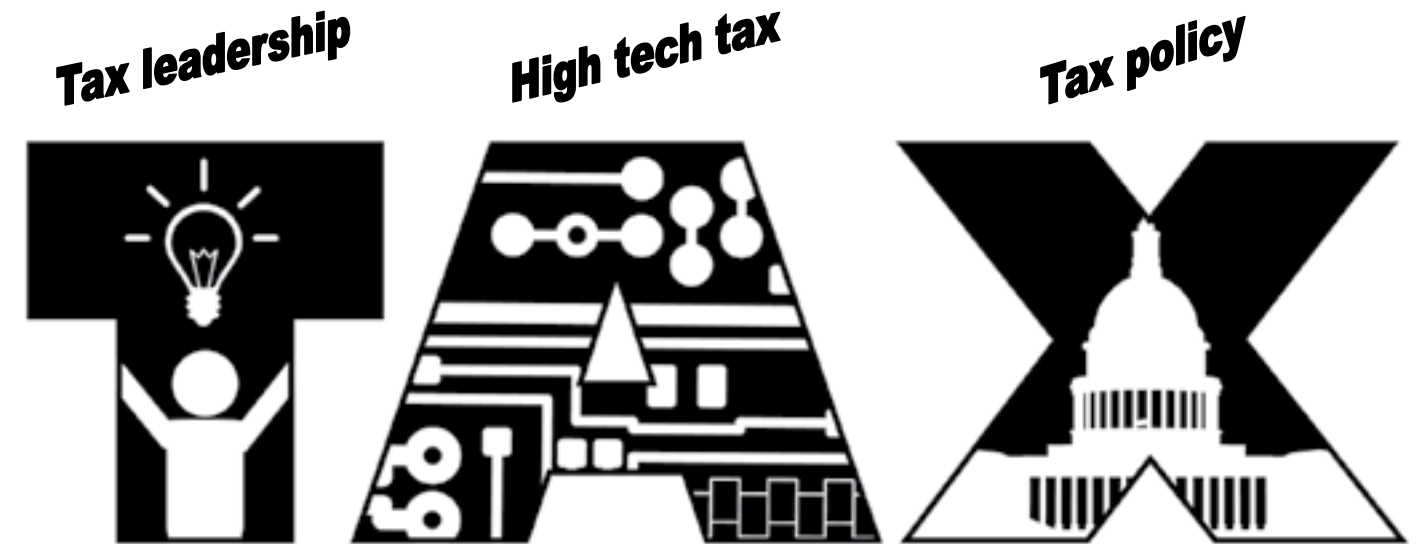
SJSU CTJ: What is the most unusual item in your office or something in it that has special meaning?

Silva:

When I left the State, I received a frame of resolutions from the department of finance. It reminds me of the professional relationship we had.

I am sure he had developed many relationships of mutual respect which is evident in his body of work. He smiles and nods as if reminiscing on all the good relationships he has developed over the years.

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