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February 14, 2001

Hon. Bill Lockyer
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

Attention: Ms. Tricia Knight
Initiative Coordinator

Dear Attorney General Lockyer:

Pursuant to Elections Code Section 9905, we have reviewed the proposed initiative cited as "State Constitutional Officers" (File No. SA2001RF0001). This measure would amend the California Constitution by changing the method for determining the compensation of state-elected officials. The specific provisions are discussed below.

Currently, the California Citizens Compensation Commission establishes the salaries and benefits for Members of the Legislature and other state-elected officials, such as the Governor, the Attorney General, and members of the State Board of Equalization. The commission recently announced its decision to raise the salaries of all state-elected officials effective December 2000.

If this measure were adopted, it would reduce the annual salaries of all state-elected officials to the amounts existing on January 1, 1998.

In addition, the measure would eliminate the California Citizens Compensation Commission. Instead, future increases in salaries would not become effective until enacted in statute by the Legislature and approved by the voters in the next regular elec-

tion. The measure also specifies that benefits such as medical, dental, and insurance would not exceed those provided to state employees.

Fiscal Effect

The measure's provision to eliminate the California Citizens Compensation Commission would result in savings of \$25,000.

The measure also would reduce the total salary costs of all state-elected officials. As regards the legislative salaries, expenditures for support of the Legislature are limited by the Constitution. This measure does not change those limits. Thus, to the extent the measure reduces legislative salary costs, these funds would be available for other legislative purposes. As regards the salaries of other state-elected officials, this measure would result in savings of several hundred thousand dollars. The provision related to benefits would have no net fiscal impact since those benefits are now comparable to state employee benefits.

The measure could also result in additional costs to the state and counties to place a provision on the ballot for any future salary adjustments for state officials. These additional costs are unknown, but would probably not be significant.

Summary. The measure would result in (1) state savings for state-elected officials' salaries of several hundred thousand dollars; (2) no reduction in total legislative expenditures, given current provisions of the Constitution; and (3) unknown, probably not significant, election costs in the future. The net fiscal impact is unknown, but probably not significant in the context of the overall state budget.

Sincerely,

Elizabeth G. Hill
Legislative Analyst

B. Timothy Gage
Director of Finance