

January 29, 2004

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 9005, we have reviewed the proposed constitutional amendment relating to the Legislature (File No. SA2003RF0070).

Major Provisions

The measure amends the State Constitution to make a number of significant changes to the operation of the state Legislature.

Houses and Members. The measure establishes the Legislature with a single house of 100 members. Currently, the Legislature is made up of two houses, the Senate and the Assembly. There are 80 Senators and 40 Assembly Members.

Term Limits Eliminated. Under existing law, Senators may serve up to two terms of four years each, and Assembly Members may serve up to three terms of two years each. This measure would eliminate these restrictions on the number of terms that can be served and does not specify the length of each term of office.

Salaries and Expenses. The measure places restrictions on the total amount of legislative expenditures. Based on these limits, the Legislature would be authorized to spend \$24.5 million annually for most salaries and expenses. This amount would grow annually for inflation. The measure also authorizes expenditures for a limited number of committees (no more than 30 committees with three staff each at specified salaries). The per diem for legislators' living expenses would be limited to \$40 per day. In addition, if the Legislature did not pass the budget by the June 15 constitutional deadline, legislators would not be paid until the budget was passed. The measure also forbids the use of publicly owned or leased vehicles by legislators, but authorizes the payment of per mile reimbursements.

Currently, overall legislative expenses are restricted by the State Constitution and grow annually by a combination of inflation and population adjustments. Under these existing provisions, allowable legislative expenditures can total about \$215 million in 2004-05. Legislators also receive a per diem to cover living expenses at an amount set by a state board (currently \$140 per day when in session). Salaries of committee staff are not currently restricted. For transportation, legislators use a combination of publicly leased and owned vehicles, as well as mileage reimbursements.

Length of Session. The measure restricts the Legislature from meeting in regular session to the months of January through June each year. The Legislature currently can meet in any month, with some restrictions on the types of bills it can pass at certain times.

Gifts to Legislators. The measure adds tighter restrictions as to the amounts of gifts that can be received by legislators. Specifically, legislators could not receive a gift in excess of \$10 from a person doing business with the state or who is affected by state legislation. Currently, legislators are subject to this limitation regarding gifts from registered lobbyists but have larger monetary limits for gifts from others.

Implementation. The measure establishes procedures for determining the election of the first single house Legislature. A commission with appointments from political parties would be created to draw the legislative districts, using specified restrictions. The commission would be allocated \$200,000 for this purpose. The election of legislators would occur in a special election during the first March following the measure's passage. Future redistricting efforts would be subject to existing constitutional provisions.

Fiscal Effect

Legislative Expenditures. Compared to current spending, the measure would reduce legislative expenditures by almost \$200 million. Since future expenditures would be subject to a generally more restrictive growth factor than under current law, these savings would grow modestly over time.

Implementation. The measure specifies that \$200,000 be available for the redistricting commission. In addition, the holding of a special election to elect new legislators would likely cost state and local governments in excess of \$50 million. The state would also experience some one-time implementation costs to adjust to a single house of the Legislature, such as making physical adjustments to the Capitol building.

Summary. This measure would have the following major fiscal effects:

- State savings of almost \$200 million annually from reduced legislative expenditures.
- One-time implementation costs for state and local governments in excess of \$50 million.

Sincerely,

Elizabeth G. Hill
Legislative Analyst

Donna Arduin
Director of Finance