

October 4, 2006

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

Attention: Ms. Patricia Galvan
Initiative Coordinator

Dear Attorney General Lockyer:

Pursuant to Elections Code Section 9005, we have reviewed the proposed initiative related to the Legislature (File No. 06-0034).

Major Provisions

The measure makes a number of significant changes to the operation of the state Legislature beginning in 2008. The measure establishes the Legislature with a single house of between 50 and 80 members. The members would be elected on a nonpartisan basis every two years. The measure restricts the total salary costs for the legislators to \$4 million annually, evenly divided among the members.

Currently, the Legislature is made up of two houses, the Senate and the Assembly. There are 40 Senators and 80 Assembly Members who are elected on a partisan basis (with two-year terms for the Assembly and four-year terms for the Senate). Their salaries are set by the California Citizens Compensation Commission. Spending on operation of the Legislature is capped annually by the State Constitution (currently about \$240 million).

Fiscal Effect

The measure would result in a variety of costs and savings by making changes to the Legislature's operations. For instance, costs for legislative salaries—which currently total roughly \$14 million—would be limited to \$4 million, a reduction of about \$10 million annually. Also, the state could experience some one-time implementation costs to adjust to a single house of the Legislature, such as making physical adjustments to the Capitol building. The measure could have other fiscal effects as well. For instance, by reducing the number of elected legislators, the measure would likely reduce somewhat state and county election costs. The net effect of these types of costs and savings on the state is unknown.

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

- Unknown net effect on state spending.

Sincerely,

Elizabeth G. Hill
Legislative Analyst

Michael C. Genest
Director of Finance